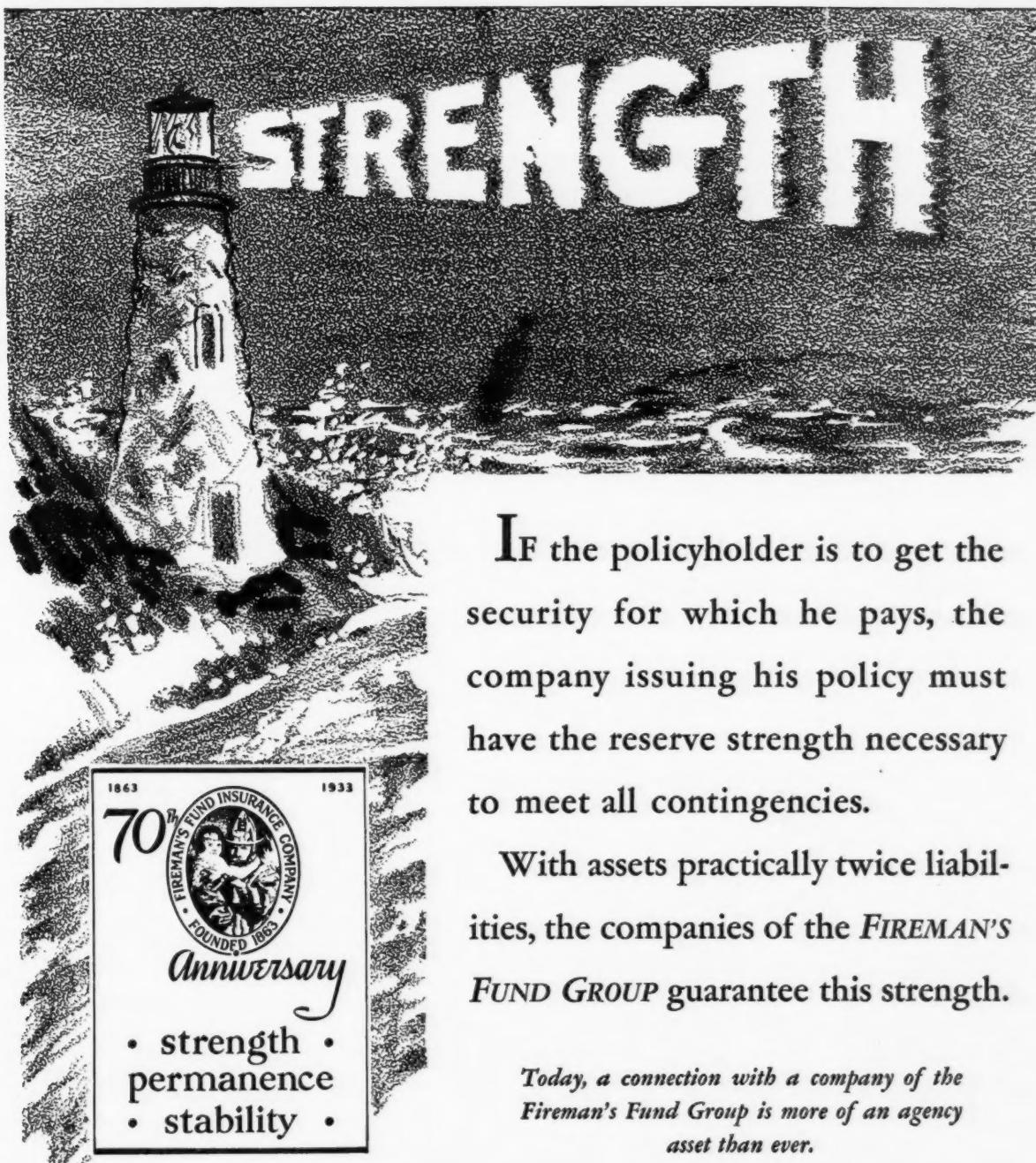


The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JULY 20, 1933



IF the policyholder is to get the security for which he pays, the company issuing his policy must have the reserve strength necessary to meet all contingencies.

With assets practically twice liabilities, the companies of the FIREMAN'S FUND GROUP guarantee this strength.

Today, a connection with a company of the Fireman's Fund Group is more of an agency asset than ever.

Fire • Automobile • Marine • Casualty • Fidelity • Surety

FIREMAN'S FUND GROUP

*Fireman's Fund Insurance Company
Home Fire & Marine Insurance Company
Occidental Insurance Company
Fireman's Fund Indemnity Company
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New York • Chicago • SAN FRANCISCO • Boston • Atlanta

An Opportunity

VALUES of goods have gone up in recent months, in some cases 30 to 50%. How about the amount of insurance carried?

A short time ago over-insurance was the thing we all feared. Now it is under-insurance.

There is a big difference between the two. Companies have some control of over-insurance and exert it in fairness to other policyholders and themselves. But they have no control over under-insurance after a fire.

Now, before a loss, the agent can control it.

Therefore, check your assured—the retailer, wholesalers, manufacturers and others whose goods have increased in value. Compare for them in dollars and cents the results of a loss, first with present insurance, and then with adequate protection.

You will write more business and protect your assured fully.

AMERICAN EQUITABLE ASSURANCE COMPANY
OF NEW YORK
(Organized 1918)
Capital \$1,000,000.00

GLOBE & REPUBLIC INSURANCE COMPANY
OF AMERICA
Philadelphia, Pa. (Established 1862)
Capital \$1,000,000.00

IMPORTERS & EXPORTERS INSURANCE
COMPANY OF NEW YORK
Capital \$1,000,000.00

KNICKERBOCKER INSURANCE COMPANY
OF NEW YORK
(Organized 1913)
Capital \$1,000,000.00

MERCHANTS AND MANUFACTURERS FIRE
INSURANCE COMPANY
Newark, N. J. (Chartered 1849)
Capital \$1,000,000.00

NEW YORK FIRE INSURANCE
COMPANY
(Incorporated 1832) Capital, \$1,000,000.00

CORROON & REYNOLDS

Incorporated
INSURANCE UNDERWRITERS

Manager

92 William Street

New York, N. Y.

The National Underwriter

Thirty-Seventh Year—No. 29

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 20, 1933

\$4.00 Per Year, 20 Cents a Copy

Business Boom Is Seen on Horizon

Firm Note of Confidence in Country Seen in Wage Advances, Reemployment

IS EXPECTED THIS YEAR

Insurance Companies' Position Materially Improved by Rise in Markets, Higher Values

Business revival is well under way, according to newspaper and independent reports this week. There has been a widespread trend to increase wages in industry and many great industries in the last week or so have put thousands of workers back on the job.

Manufacturers of box materials, especially those out of which paper cartons are made, are reported to be working 24 hours a day to keep up with orders for industries buying large quantities of these materials in anticipation of a return to normal business activities in a short time.

Appreciation in Assets

Insurance companies have profited greatly in the pre-inflation period. They have enjoyed great appreciation in value of holdings. Companies owning common stocks of course have shown the greatest growth in values. Most issues are 300 to 600 percent ahead of their lows, some as much as 1500 percent. Bonds have not increased so rapidly but show considerable appreciation.

Real estate values have gone up somewhat. Rents are slightly higher. Companies owning farms taken under foreclosure report many sales of these in the last few weeks. The continued great strides made by the grain market have developed a tidy profit for companies managing farm properties, either directly or through tenants. Much 1932 grain was held by life insurance companies and this has brought a fine profit on the market in recent weeks.

A report of the Minneapolis federal reserve bank July 15 was that cash income of farmers in the northwest increased 80 percent in June over June, 1932. This was ascribed to advance in farm commodity prices and heavier marketing weights for hogs. Freight car loadings, flour and linseed products shipments, iron ore movements, grain marketings and receipts of cattle and hogs also were reported well advanced.

Results in Insurance World

All of this is taken as a healthy sign, indicative that considerable improvement may be expected in all branches of insurance before the year is out. The fire business as yet has not shown any marked increase in premium income, but losses still are low, and the piling up of merchandise stocks and higher values will bring a natural increase in

(CONTINUED ON PAGE 8)

Conservation Committee's Deliberations Disclosed

The proceedings of the National Convention of Insurance Commissioners at the last annual meeting in Chicago have just been published and included is a report of the interesting meeting of the conservation committee, of which Commissioner Dunham of Connecticut is chairman. This committee held executive sessions in Chicago and consequently the proceedings heretofore have not been a matter of general knowledge. It was this committee that brought in a resolution, which was adopted, suggesting that the individual commissioners call upon companies for a statement of agents and brokers that are delinquent as of Oct. 1 and quarterly thereafter.

The first question that was discussed was the cost of the various company bureaus. The results of a questionnaire covering 300 companies were reported by G. W. Carroll, Jr. These companies spent \$9,517,484 for association expenses. The cost of examination by different departments for these companies was \$1,016,977. The combined taxes, licenses and fees of the 300 companies was \$96,547,150. The association expense, Mr. Carroll stated, seemed to be high. Figures from practically all of the fire bureaus, except the rating expenses of Texas and the expenses of the New York Board, show that in 1932, the expenses to all companies were \$12,981,623, which was 17.9 percent less than the expenses for 1929.

Decrease in Personnel

The personnel of the different bureaus showed a decrease of 17.4 percent. The salaries decreased 10.1 percent, and travel expenses 41.2 percent.

Then Commissioner Dunham opened up the question of agency balances. The first witness was C. R. Tuttle, western manager of the North America. He expressed the belief that the commissioners could produce some method by which the companies could enforce collections better. He said the commissioners could prevent a certain group or groups of individuals or companies from making the extension of credit a method of producing business. It is essential, he said, that there be a definite program whereby an agent who has failed to pay his bills within a prescribed time will not be permitted to continue in business and represent companies with which he is not delinquent or to take on other companies.

Accomplished Gradually

Mr. Tuttle expressed the belief that the process of getting agents down to a 60 day basis could only be accomplished gradually. The time could be shortened from 90 days to 80 days or 70 and then finally to 65.

E. A. Henne, western manager of the America Fore companies, endorsed Mr. Tuttle's views and said that there should be some mandatory rules to limit the time of balance payments and eliminate the competitive factor of extension of credit.

In answer to a question, Mr. Henne said that the average special agency expense in the western territory is about

6 percent and that field men spend about 60 to 75 percent of their time on balances.

In answer to a question from Superintendent Warner of Ohio, Mr. Tuttle said that the burden of delinquent balances falls ultimately on the policyholders.

Too Many Producers

Paul L. Haid, president of the Insurance Executives Association, said that the expense factor among the companies is increased because there are too many sources of production and too many sources of retention. There were too many companies doing a small volume of business, the overhead on which cannot be seriously reduced. There isn't a fire insurance company in the business which could not take on from 25 percent to 50 percent of premiums without adding a bookkeeper, he said.

The most important qualification of an agent is financial responsibility, Mr. Haid said. In the last few years thousands of agents with no capital and little experience have come into the business, he said.

Mr. Haid said if every commissioner would say that no agent could be licensed for any company unless that agent was not in arrears for business written within 60 days, the agency situation would be immeasurably improved and millions of dollars would be saved to insurance companies.

Holmes Defends Agents

Commissioner Holmes of Montana said that the commissioners can't force agents to pay balances if they can't collect the premium from the insured. He said the proper course for a company is to cancel a policy if the premium can't be collected from the insured.

Commissioner Olsness of North Dakota expressed the belief that companies are much to blame for extending too much credit in the first place and that it should be within the power of the company to control the credit situation.

(CONTINUED ON PAGE 8)

Fire Losses in June Show Another Big Drop

NEW YORK, July 19.—The National Board's figures for June show losses of \$21,578,609, a drop of 37.16 percent as compared with the June, 1932, figure of \$34,338,670, and a 11.34 percent decrease under the May, 1933, figure of \$24,338,714. For the first six months the figures are \$181,273,587 as against \$245,699,956 for the same period last year.

The following table shows losses for the first six months of this year and the two years previous:

	1931	1932	1933
Jan.	\$44,090,783	\$39,224,783	\$35,547,565
Feb.	41,776,051	39,824,622	36,661,481
Mar.	44,074,362	49,189,124	35,321,248
Apr.	41,423,764	43,822,233	27,825,970
May	37,835,273	39,270,524	24,338,714
June	33,368,378	34,338,670	21,578,609
	\$242,568,277	\$245,699,956	\$181,273,587

I. M. U. A. Seeks to Halt Evasions

Requires Cancelling of Truckmen's Cargo and Rewriting as of Sept. 1

NEW RULES ARE ISSUED

All Annual Contracts Must Be Rewritten to Conform to Regulations of July 1

Largely because of the action of many agents in cancelling truckmen's cargo policies shortly before July 1 and rewriting them for a year, as a means of evading the new rules of the Inland Marine Underwriters Association on that form which went into effect on that date, the I. M. U. A. has issued a new rule which requires cancelling of annual truckmen's cargo policies and rewriting in line with new rules, as of Sept. 1.

The I. M. U. A. regulations effective July 1 were brought out to end the confusion and heavy expense resulting from a multitude of shippers' endorsements and to eliminate the loss payable clause which gave a shipper protection under the operator's form without paying any premium. Many agents hurried to cancel before July 1, trusting that the rule would not be made retroactive on these rewritten policies.

Some Surety Bonds Sold

There have been reports of a method by which some agents have succeeded in evading the letter of the ruling by securing for shippers surety bonds on truck operators, guaranteeing their financial responsibility or performance of contract. Due to the fact, however, that surety companies generally are unwilling to accept such risks without requiring collateral, which a large proportion of the truck owners it is said are not now in position to put up, it is believed that this practice will not serve to affect the sale of the shipper's form of truck cargo insurance, the sale of which was greatly stimulated by the new ruling.

It is possible under the I. M. U. A. rules for the loss draft to be made payable direct to the shipper, but only if the truckman gives notice to this effect subsequent to the loss. The rule does not permit the filing of blanket authority for the term of the contract.

Used by Large Shippers

In the main only truck operators in better financial condition can get these surety bonds. They have been sold for some time, and it is understood that they are being required by large shippers, such as the Ford Motor Company, tire manufacturers, chain stores, etc. Such shippers, however, also carry the excess or direct cargo form.

The surety bond is considered by many underwriters as merely a "stop." (CONTINUED ON PAGE 7)

Decision in G. & R. Case Now Seems to Be Imminent

NEW VAN SCHAICK PETITION

N. Y. Superintendent Ask Permission to Sell \$10,000,000 Assets to Satisfy Creditors in Full

NEW YORK, July 19.—With the idea of allowing more time for both parties to reconcile their differences Supreme Court Justice Frankenthaler has postponed for a week his decision on the petition of the State of Pennsylvania to compel the Golden Hill Building Co., which holds the majority of the State's stock, to sell control of the State to the American of Newark.

W. P. Barker, attorney for the State of Pennsylvania, quoted Justice Frankenthaler as recognizing the position of the insurance company in its appeal for relief from conditions over which it had no control, and that on the other hand he recognizes the Golden Hill Company's unwillingness to sell control of the State at a price which it considered much below actual worth.

Petition of Van Schaick

Superintendent Van Schaick, as rehabilitator of the Globe & Rutgers, has petitioned the New York supreme court for permission to sell approximately \$10,000,000 of the company's securities to pay all creditors 100 cents on the dollar. The securities would be sold at times deemed proper by the department. Orders for the sale of about \$4,000,000 of securities have already been issued.

This petition and also the petition of the Globe & Rutgers to regain possession on the ground that it is entirely solvent were scheduled for hearing before Justice Leary this morning but were referred to Justice Frankenthaler, as he has heard all the previous Globe & Rutgers litigation. The hearing is scheduled for this afternoon with the understanding that there will be no further postponements.

The New York department, in favoring the sale of securities to meet claims of creditors, feels that these obligations should be taken care of before the company is permitted to operate again. Liquidation of enough assets to meet claims of creditors would require about three months, the department states, and at the end of that time decision could be made as to whether the company should be permitted to start up again. The New York department feels that a reorganization plan is most difficult because there is conflict between large creditors and large stockholders.

Vetoes Publication Measure

Governor Horner of Illinois this week vetoed the bill recommended by Ernest Palmer, director of insurance, designed to permit insurance companies to make individual arrangements as to publication of their annual statements, subject only to compliance with the law. He gave as explanation that the present law affords sufficient protection to the public if properly administered and imposes no undue burden on the companies.

Under the arrangement in force for a number of years, publication of statements has been handled through a representative of the insurance department whose charges were said to be considerably in excess of the advertising rate for the space used.

The bill which was vetoed would have permitted companies, if they desired, to handle the publication through the department, the total charge to be the advertising rate plus a moderate sum to cover correspondence, etc.

The court of common pleas at Columbus has authorized Superintendent Warner of Ohio to take over the **Montgomery County Mutual Fire** of Dayton and liquidate it. The department contended that the company was insolvent. D. W. Iddings is president.

Succeeds Father



WEBB I. VORYS

Webb I. Vorys of Columbus, O., who has just been elected a director of the Ohio Farmers, is a son of the late A. I. Vorys and the son fills a vacancy on the board caused by the death of his father. The elder Vorys was a former insurance superintendent of Ohio and former president of the National Convention of Insurance Commissioners.

Fire Company of Chicago Case to Be Heard July 31

Hearing on exceptions to the report of Federal Master Grossman in the Fire Company of Chicago case will be held before Federal Judge Wilkerson in Chicago, July 31. At a hearing the court granted the defendant ten days in which to file exceptions and the plaintiff five days to file answer. The master's lengthy report found that suit for an accounting on profits made out of sales of various insurance stocks to the Fire Company might lie against Massey Wilson and E. W. Merritt, Jr., and suggested a conservator plan administered by a representative of the court, rather than receivership which was asked in the original petition of minority stockholders.

THE WEEK IN INSURANCE

Inland Marine Underwriters Association rules all annual truckmen's cargo policies must be canceled and rewritten as of Sept. 1. Page 1

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General improvement in business conditions expected to have favorable effect on insurance. Page 1

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It now appears that whatever application the **national recovery act** may have to insurance, will be confined to regulations governing clerical help. Page 2

* * *

Practice of **Best & Co.** in rating companies was discussed by insurance commissioners. Page 3

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W. N. Achenbach of Chicago and A. T. Bailey of San Francisco are conferring in Denver over some differences that have developed in connection with the **mountain balance rule**. Page 3

* * *

More delays are encountered in **Globe & Rutgers** and State of Pennsylvania cases. Page 2

* * *

Frank G. Snyder, head of Snyder Brothers General Agency at Louisville, dies of heart attack. Page 3

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Seventy-three life companies are seeking from **Insurance Advertising Conference** to form new organization. Page 3

* * *

Inland Marine Underwriters Association assumes jurisdiction over **garment contractors' floaters**. Page 15

Recovery Act May Apply to Insurance Clerical Help

LIKELY NOT TO GO FARTHER

Requirements May Be Promulgated As to Working Conditions of Office Forces in All Industries

WASHINGTON, July 19.—The understanding in Washington now is that practically the only way in which insurance may be affected by the national recovery act is in the matter of working conditions of salaried employees. The administration of the recovery act is contemplating the promulgation of a code, which would apply to clerical workers in all industries, just as the administration has about come to the conclusion to promulgate a general industrial code affecting manual labor.

The code for governing clerical help is not likely to have any practical effect so far as insurance is concerned. In drafting minimum salary and minimum hours of work requirements the circumstances of all industries will have to be considered and the scale prevailing in insurance today is likely to be far in excess of any minimum suggested or enforced by the federal government.

"The administration of the recovery act," a spokesman of the administration stated, "is not greatly concerned about the insurance industry now. Insurance does not naturally come within the purview of the act and there are so many problems in connection with industries that are directly affected, that insurance is not primarily engaging our attention."

Although insurance representatives have conferred with General Johnson, chief administrative officer of the act, the conversations have been confined pretty largely to conditions surrounding the clerical help.

COST OF CLERICAL HELP

The point is made in some quarters that the minimum for clerical help would have to be pretty low, because conditions vary greatly in different parts of the country. For instance, in Hartford a clerk might be paid \$75 a month for the same work that would pay \$100 to \$110 a month in New York City. In other underwriting centers of much smaller size than Hartford, the cost of clerical help is still lower, but living expenses commensurately less.

Illinois Governor Signs 16 of Department's Bills

Sixteen of the bills recommended by Ernest Palmer, director of insurance of Illinois, have been signed by Governor Horner. Among these are:

Law providing all policies insuring against loss or liability or death, or for injury to person or property of another, are deemed to contain provision that insurer is liable to injured party and may be proceeded against after rendition of final judgment in favor of injured person.

Law permitting mutual corporations to have guaranty capital not less than \$10,000 nor more than \$200,000, to be used to pay losses in event of lack of other assets; guaranteeing stockholders voice in management by allowing them not over one-third representation on directors.

Director Palmer issued a statement giving details of the radical reorganization of the department effected.

Seek to End Use of Stolen Auto Parts in Repair Work

NEW YORK, July 19.—The Fire Companies' Adjustment Bureau is acting to prevent the use of stolen automobile parts in the repair of damaged cars. R. S. Clinger, superintendent of the bureau's special risk department, has asked branch managers and adjusters in the eastern department to ask for bids on repair work from reputable and authorized dealers and to resort to other means only when reasonable bids from such dealers cannot be obtained.

Willis O. Robb Dies

Willis O. Robb, 75, who retired in 1928 after 18 years as manager of the New York Fire Insurance Exchange, died at his home in New York Monday of arterio-sclerosis. He first went to New York in 1895 as a general adjuster for the Norwich Union Fire. Seven years later he became secretary of the committee on losses and adjustments of the New York Board, which position he held for eight years.

Kansas Committee Meets

TOPEKA, KANS., July 19.—A special meeting of the executive committee of the Kansas Association of Insurance Agents was held here Monday in the office of President Holmes Meade to discuss membership plans, progress of state convention plans, alleged violations of the ruling on **Globe & Rutgers** return premiums, Nebraska legislation requiring agent's signature on all policies, Illinois legislation classifying and licensing insurance salesmen, Commissioner Hobbs' ruling on company payments of commissions, state association representation at the national association meeting in Chicago and the Kansas City, Kan., situation.

Caught Between Two Laws

L. A. Harris, president of the American Automobile of St. Louis, has issued a statement explaining that the recent change in the capital set up of the American Automobile Fire was necessary to comply with certain state laws. In the revision, the interest of the American Automobile in the American Automobile was reduced by \$900,000 and the premium reserve of the fire company was reduced by reinsuring the property damage in the American Automobile. Mr. Harris said there are certain states which limit the investment of an insurer in any one issue to a certain percentage of the insurer's capital and surplus.

In 1928, he said, certain state laws compelled the formation of the American Automobile Fire so that full coverage automobile might be written and now other laws require limitation of investment in the fire company.

Commissioners' Discussion on Ratings Is Revealed

PALMER OPPOSED PRACTICE

Activities of Best & Co. In Grading Companies Were Debated by State Officials

The question of assigning ratings to insurance companies by A. M. Best & Co. was discussed in an executive session during the special moratorium meeting of the National Convention of Insurance Commissioners in Chicago last April. This is revealed in the proceedings of the National Convention of Insurance Commissioners, which have just been published.

Superintendent Palmer of Illinois brought up the issue. He suggested that the convention express itself with regard to Best & Co., as a "self constituted authority in rating companies." He contended that the Best organization is not altogether neutral or disinterested in every case. He expressed the belief that there is not anyone or any organization that is competent at this time to grade companies as A, B, C, D and E. He said if there is any such authority anywhere it is entirely self constituted.

Much Harm Is Done

"Whether this convention eventually might some day do that thing," he stated, "or whether the commissioners might in their own state is a big problem, but there is a whole lot of harm can be done by self constituted authority telling the public whether a company is A, B, C or D. Nobody knows what that means but them."

Mr. Palmer said he does not take issue with Best & Co. giving all the information they can about any company but he expressed opposition to the grading, especially for the next two or three years. He said he would like the convention at some time to consider a resolution requesting Best & Co. to refrain from that practice for the next three years. Mr. Palmer proposed that if such a resolution were adopted and Best & Co. did not comply with its suggestions, that another resolution be adopted for public consumption, stating that the convention does not approve of the grading plan and it does not recognize the ratings.

Commissioner Clark of Iowa asked Mr. Palmer whether he knew if the rating company at any time received commissions for the sale of defunct life insurance companies. Mr. Palmer said he did not know.

Superintendent Greer of Alabama said that Best & Co. is the only organization from which the commissioners can get complete information about the condition of an insurance company anywhere in the country. He said there is a real need for this service and he would oppose any move to prevent them from giving ratings. He said the ratings are based on scientific information.

Superintendent Van Schaick of New York said he sympathized with Mr. Palmer's suggestion to some extent, because there have been reports from Best that were most unfair. However, he advised against the convention taking any action at this time. He said that if the idea should get out that the commissioners were trying to muzzle anybody, the implication would be bad. He said that the matter might be handled by the president of the convention, on his own initiative, taking the matter up with Best & Co. Commissioner Daniel of Texas endorsed Mr. Van Schaick's views.

Mr. Palmer closed the discussion by saying that he was not urging action, but he wanted to bring it before the attention of the convention. "The commissioner from Alabama thinks the rating is scientifically done," Mr. Palmer stated. "Well, what is scientific? I don't know. I don't believe it is scientifically done."

Achenbach, Bailey Confer on Mountain Balance Rule

SOME DIFFERENCES DEVELOP

Suspension Clause of Instrument Is Major Subject of Discussion by Chicago and Coast Men

DENVER, July 19.—W. N. Achenbach of Chicago, chairman of the supervisory committee of the Rocky Mountain Fire Underwriters Association, arrived here Sunday for a conference with A. T. Bailey of San Francisco regarding the application of the new collection rule of the Mountain Field Club. Mr. Bailey is also a member of the supervisory committee.

Automatic suspension of agents who had been delinquent for a certain period is required under the new rule of the Mountain Field Club, which was to have become effective July 1, and inasmuch as the companies have agreed to require their field men to affiliate with the field club and support its rules the new regulation was to have become in effect a company measure.

Differences of Opinion

Leading sponsors of the new credit rule say they are satisfied with the progress made under it, although some complications have arisen, partially due to lack of understanding of the terms of the rule and also to lack of entire cooperation. The latter, it is believed, exists more among company officials than with the field men.

Although there has been no real test of the rule involving any important interest, it has been indicated that the rule in its present form will not be supported, even by some of the most ardent enthusiasts on the suspension principle. There has been evidence, for instance, that where there is a sole delinquent balance in an agency with other companies, the company to whom it is due has balked on suspending on hearing the other companies in the agency are not required to suspend.

Issue at Annual Meeting

Chicago interests are said to have been disturbed over the situation and this may be the cause of Chairman Achenbach's hurried visit to the mountain field. It is also believed this subject will consume a large part of the supervisory committee's time at the annual meeting in October and that the two members of the board can better prepare themselves for any possible future action by direct contact with the problems now arising here.

C. W. Cartwright, Dean of Minnesota Field Men, Dies

Charles W. Cartwright, Minnesota state agent of the Northern of London for 30 years past and beloved dean of northwest field men, died at Northwestern hospital, Minneapolis, at the age of 70. He suffered for some time with jaundice, death ensuing from resulting complications.

Mr. Cartwright was born in Hudson, O., in 1863. He had been a resident of the Twin Cities since 1886. In the late nineties, he was a member of the insurance firm of Cartwright & Roberts in St. Paul. Later, he entered the local agency business in Minneapolis. He next became state agent for the Traders and for the past 30 years had been state agent for the Northern of London.

Mr. Cartwright was a lieutenant in the Spanish war. He was a leader in the activities of the Minnesota Blue Goose, of which he was recently made an honorary life member.

Funeral services were conducted Tuesday. A. W. Jenkisson, Cook county manager of the Northern, represented the company at the obsequies.

Veteran Dead



FRANK G. SNYDER

Frank G. Snyder, president of Snyder Brothers General Agency at Louisville, died last Friday at the Kentucky Baptist hospital in his city. He was taken to his home Wednesday afternoon of last week stricken with a heart attack. It came upon him as he was driving to his home at Buechel. He was 67 years old. Mr. Snyder in recent years had undergone a number of operations for his eyes and at times had been practically blind. He was a familiar figure in insurance circles, towering in height. He had been in the business for over 40 years. He is a former president of the Kentucky & Tennessee Board, Kentucky Fire Underwriters Association and the Fire Underwriters Association of the Northwest. For 27 years he was Kentucky state agent for the Liverpool & London & Globe. In 1923 he became head of the Snyder Brothers General Agency. Mrs. Snyder survives, as do two brothers, R. W. Snyder, vice-president and general manager of the agency, and B. Goff Snyder, secretary-treasurer.

Van Schaick Heads Group to Supervise Marine Pact

Superintendent Van Schaick of New York has been appointed chairman of the commissioners' committee to supervise the operation of the marine-casualty-fire agreement, which was presented at the Chicago meeting of the National Convention of Insurance Commissioners. The appointment was made by Brown of Minnesota, who is president of the insurance commissioners' convention. The other members of the committee are Dunham of Connecticut and McClain of Indiana.

Cincinnati Agents Protest

The 15 Cincinnati agents representing the Royal-Liverpool & London & Globe group recently met in conference regarding the state suit by the Federal Union of the group in the supreme court testing the constitutionality of the Ohio agents' license law. The unanimous decision was that the agents representing the companies of this group were opposed to the suit and that their views should be presented to the officials. A letter was drafted containing these resolutions and forwarded to Harold Warner, United States manager.

New Arizona Commissioner

John Cummard, Mesa, Ariz., real estate and insurance man, has been named chairman of the Arizona corporation commission and insurance commissioner, succeeding Amos Betts, who resigned after 20 years of service.

Many Life Companies Are Seceding from the I. A. C.

RIFT OCCURS AMONG AD MEN

Those Withdrawing Propose to Form New Organization Called International Life Advertisers

The rift in the ranks of the Insurance Advertising Conference, which has threatened for some time, has now materialized. K. A. Mathus, vice-president of the I. A. C., and chairman of the life group, is taking the leadership in a move on the part of 73 members of the life group to secede from the conference and form a new organization, to be known as the International Life Advertisers Association.

Petition has been presented to the executive committee of the advertising conference by these companies for permission to withdraw. Although Stanley Withe, Aetna Casualty, president of the conference, has received the petition and has submitted it to the executive committee, he has not reported the action of the committee to the conference.

Split Has Been Threatened

Mr. Mathus states that the 73 members represent about 85 percent of the membership of the life group and a majority of the entire conference. The split almost occurred at the last annual meeting of the conference in New York when B. N. Mills, secretary Bankers Life of Iowa, who was then president of the conference, read a resolution proposing that the life men pull out of the conference and form their own organization. There was some confusion as to just what action had taken place and most of the newspapers reported that the resolution had been adopted and the division had been effected.

The fire and casualty people, however, protested that this version was incorrect, stating that the resolution had merely been presented and had not been acted upon.

When Mr. Mathus issued his statement, Mr. Withe sent out an answer stating that regardless of any action by the 73 companies favoring separation the conference would continue as an organization devoted to life, fire and casualty interests. He said that the life companies responsible in the aggregate for 80 percent of the total now being spent for advertising of life insurance in magazines and newspapers together with practically all fire and casualty companies represented in the conference have already indicated their decision to continue as members.

Many Are Sticking

Some of the largest life companies in the country are not taking part in the separation movement, he said, among them being the Metropolitan, Prudential, Equitable and John Hancock. The representatives of these companies, according to Mr. Withe, expressed the belief that insurance advertising men have much in common regardless of the branch of the business in which they are engaged and that they can accomplish more united than if divided into separate organizations.

"While we will miss their presence in our councils," Mr. Withe stated, "the conference has no quarrel with those life companies which decide to withdraw from membership. We are not opposing in any way the exercise of each member's privilege to affiliate with any other organization according to his own judgment. We will, however, insist that those members not in sympathy with the broad principles to which the conference is dedicated withdraw from membership as a matter of fairness to everyone concerned."

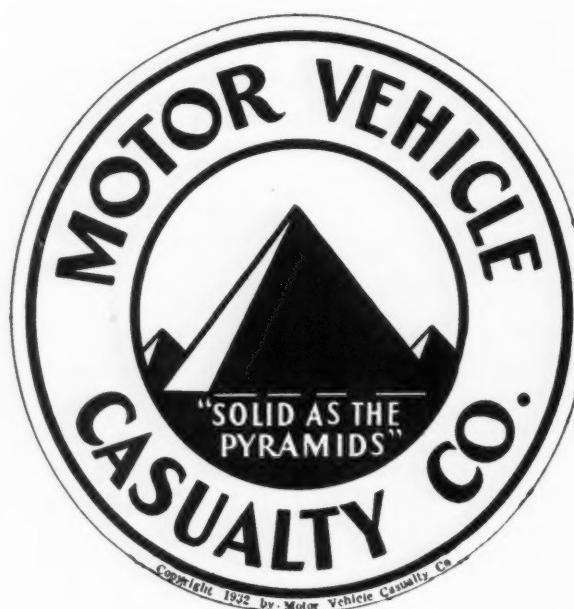
Evidence that the conference is going actively ahead with full regard to the

(CONTINUED ON PAGE 7)

TESTED

• This organization during the last eighteen years has successfully passed through two great panics and two great depressions.

• Inquiries from reputable brokers and agents in Illinois are solicited.



Home Office

223 W. Jackson Blvd., Chicago, Illinois
A STOCK AUTOMOBILE COMPANY

Under same management for the past 18 years. Organized in 1914 as Motor Vehicle Underwriters, changed to Motor Vehicle Casualty Company in 1930.

AS SEEN FROM CHICAGO

INSTALL COOLING SYSTEM

Hugo Dalmar & Co., Chicago local agents, have equipped their office with an air cooling system. Mr. Dalmar, the head of the agency, has his private office equipped also. People calling at the office during hot days are delighted with the cool, refreshing atmosphere. This is the only office in the Insurance Exchange equipped with the system. Hugo Dalmar has three rooms of his residence in Evanston equipped. W. W. Hall, manager of the Frigidaire air conditioning and cooling systems division of General Motors in Chicago, who made the Dalmar sale, is a son of W. E. Hall, manager of Johnson & Higgins Chicago office.

* * *

BROKERS WIN TEMPORARY WRIT

Temporary injunction against the city in the \$25 brokers' license fee case has been granted the 20 complaining brokers by Circuit Judge Gentzel. It is thought the procedure which will be followed will be such as to take the case directly to the supreme court rather than to waste time on a hearing of the case in the lower court. Judge Gentzel suggested counsel for the city file a motion to dissolve the temporary injunction which would permit him to hear the motion this summer as an emergency matter, rather than to wait until the fall term. The city demurred to the brokers' petition. Judge Gentzel ruled that the temporary writ would apply only to the 20 complainants and not to the many other insurance brokers in Chicago. J. A. Nordstrand of Nordstrand & Riley, attorneys representing the brokers, argued this was a class suit. The petition may be amended to include the names of all other members of the Insurance Brokers Association of Illinois, of whom the 20 named are members. The suit, however, was not brought in the name of the association.

* * *

VETERAN SPECIAL IS DEAD

J. F. Nicholson, 67, Cook county special agent of J. I. Naghten & Co., class 1 agency of Chicago, for 24 years and active in fire insurance in that section for many years previously, died at his home of angina pectoris. He was a veteran member of the Cook County Field Club and of the Illinois Blue Goose. A large number of insurance men attended the funeral.

* * *

TO EXPAND BRANCH

Superintendent Palmer of Illinois has announced that the facilities of the recently opened Chicago branch of his office will be increased after this year. He said that competent people will be in charge to handle ordinary problems of the public insurance-wise. A complete set of annual statements will be available at the Chicago office and there will be a supply of all department publications there.

Mr. Palmer states it will not be long before the department will be able to correct weak and improper management or investment policy, and safeguard policyholders. He states while it will take some time to secure a complete and accurate picture material progress has already been made.

* * *

GUND PICNIC GREAT SUCCESS

Nearly every western department and bureau or association manager in the west attended the picnic given last week by Fred M. Gund, western manager of Crum & Forster, at Freeport, Ill. Mr. Gund regaled his guests with an old fashioned German picnic lunch and in the evening a chicken dinner was served. At both lunch and dinner, and in between times, beer of a high quality was available to all in attendance. Mr. Gund delivered himself of an ad-

dress of welcome extraordinaire, the response to which was supposed to be given by C. R. Street, western manager Great American, but which was in reality read by J. Lester Parsons, eastern head of Crum & Forster. None of the speeches were written by those who delivered them. In fact, they had never seen them until they read them at the picnic.

A newspaper devoted to the activities of the picnic and those attending it was distributed during the course of the afternoon. It was filled with personal and pertinent reference to Mr. Gund's guests.

The chief athletic event of the day was the crew race. C. R. Tuttle, North America, and C. R. Street, Great American, acted as captains of the two principal teams. Mr. Tuttle's team won by half an elbow.

* * *

DOMKE RETURNS TO CHICAGO

David R. Domke, formerly a member of the law firm of Ross, Domke & Nordstrand, with offices in the Insurance Exchange, Chicago, who retired from that firm about six months ago and went west for his health, has returned to Chicago and opened offices at room 830, 201 North Wells street.

Insurer Wins Decision in Theatrical Floater Case

Loss to theatrical equipment while being transported in a truck belonging to the owner is not covered under a theatrical floater policy which offers protection during the time the property is in transit by and/or in custody of any railroad, express, transfer or other transportation company, licensed public truckmen, or other common carrier, etc. This was the decision of the United States circuit court of appeals for the seventh circuit in remanding for a retrial the case of National Union Fire vs. Frisco Frolics Musical Comedy Company. The company was represented by James E. Coleman of Coleman & Barry, Milwaukee.

At the time of the loss the property was in transit from Milwaukee to Monroe, Wis. The insured contended that the truck in which the property was being transported could properly be classified as "other common carrier."

The court held against this contention stating that a common carrier has been defined to be one who undertakes, for hire or reward, to transport from place to place, any passengers or the goods of any persons who choose to employ him.

The insured also sought to collect on the ground that in the insuring clause the phrase, "except as here and after provided" was deleted.

The court held that the deleted words would have added nothing to the contract had they been left in and it seems obvious that their deletion cannot in any respect alter or change or destroy the subsequent exceptions, limitations or conditions.

A. D. Langham Is Winner

A. D. Langham of Houston, Tex., was the winner this week of the book of world fair tickets for being the first to make reservations for the annual meeting of the National Association of Insurance Agents in Chicago.

Secretary Wanted

Manager of a fire company in a medium sized middle western town desires young woman qualified to hold position as secretary. In reply give complete information stating education, detailed experience, etc. Address X-54, The National Underwriter.

"GOING - GOING - GONE!"



Every 24 hours fire bids in property worth one and a quarter million dollars. Today may be your last chance to adequately protect your clients in strong responsible stock companies.

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THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

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NEW YORK CHICAGO SAN FRANCISCO



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President

New York, N.Y.

ATLANTA DALLAS MONTREAL

NEWS OF FIELD MEN

Moeller Is Named State Agent

London & Lancashire Fills Vacancy Caused by Death of A. C. Gilbert in Michigan

William M. Moeller has been appointed Michigan state agent for the London & Lancashire to fill the position left vacant by the death of A. C. Gilbert. Mr. Moeller has been in the Michigan field about 10 years, being a special agent assisting Mr. Gilbert. He has been in the insurance business for about 20 years, all of that time with the London & Lancashire. He started in the western department office of that company as a boy and after several years' experience as an examiner was assigned to Michigan.

Change Oregon Blue Goose Date

July 27 is the date for the annual meeting of the Oregon Blue Goose in Portland, instead of July 29 as originally planned.

Ohio Summer Meeting Held

Report Improvement in Collections—Cashel, Vernor, Davis and Minor Speak on Informal Program

CLEVELAND, July 19.—An enthusiastic joint summer meeting of the Ohio Fire Underwriters Association and the Fire Prevention Association was held at Cedar Point with about 125 members in attendance.

The Fire Underwriters Association's meeting was in charge of President R. S. Tidrick, Springfield Fire & Marine. There was no scheduled program. Among the speakers were: John R. Cashel, western manager Providence Washington; R. E. Vernor, manager fire prevention department Western Actuarial Bureau; Harold Davis, New York, executive special agent New York Underwriters, and Claude Minor, special service man of the Royal.

The following committee appointments were announced: Delinquent balances, B. T. Duffey, Cleveland, chair-

man; C. H. Garbutt, Canton; and E. A. Reid, R. T. Huggard, W. J. Gilsdorf, C. T. Thalgott, H. H. Chittenden and R. S. Tidrick, all of Columbus; clearance, D. E. Tanner, Columbus, chairman; G. W. Chapplear, Dayton, and H. J. Favorite, Dayton; legislative, R. T. Huggard, Columbus, chairman; entertainment, A. S. Snow, Columbus, chairman; rules, C. H. Garbutt, Canton, chairman; advisory, W. J. Gilsdorf, Columbus, chairman.

Collections Improved

The afternoon meeting of the Fire Underwriters Association was given over to committee action on individual delinquent agencies, the general condition of which is considerably improved. Collections are reported better in various parts of the state.

At the annual meeting of the Fire Prevention Association Mr. Vernor outlined the success of the fire waste contest during the past ten years, the losses of the participants having been reduced from \$3.24 per capita in 1923 to \$1.88 per capita in 1932. The inter-chamber fire waste contest was also reported by A. E. Bulau, state agent Carolina.

A report of F. O. Evarts, Ohio Inspection Bureau, on electrical work was read as well as his report on work with Boy Scouts.

Ohio had only three inspections this

past year, Norwood, Canton and Cambridge. In Norwood 155 defects were found, 52 percent having been remedied. In Canton 389 defects were found, 51 percent corrected, and Cambridge 201 defects, 46 percent righted.

A ladies bridge was held for about 50 wives of delegates. A dinner and dance was held by the joint clubs and a golf tournament concluded the meeting.

Agency Balance Situation

Much Better in Missouri

KANSAS CITY, July 19.—The activity of Missouri field men in collection of balances through field clubs has produced very satisfactory results. An amazing improvement in the condition of balances has been noted in the last 90 days. Monthly balance meetings of field men began March 1.

On May 1, 159 Missouri agencies were delinquent to their companies. On June 1, this number had been reduced to 67, and on July 1 there were only 24 agencies in the state delinquent in excess of 75 days from the end of the month in which the business was written.

Agents are reporting better collections from their assureds as the result of the work by field men. The improved condition of balances has done much to improve the spirits of agents. Their maintenance of a paid-up condition to companies has made them better collectors from assureds.

Martell Takes New Territory

Charles Martell, connected with the Fireman's Fund for ten years or more in various sections, including Chicago and Detroit, has taken over supervision of Ohio, Kentucky and Tennessee territory as special agent, due to the resignation of H. E. Mankin. Mr. Martell has had broad experience in company and agency matters, recently having been stationed for three years in Detroit and before that in the western marine department office in Chicago under Manager E. D. Lawson. Mr. Martell's headquarters are Cleveland.

John N. Lewis Resigns

John N. Lewis, Oklahoma state agent for the Concordia, Milwaukee Mechanics and the National Ben Franklin of the Firemen's group, has resigned. He expects to locate in Colorado, but has not announced his plans for the future. Harry Benson, senior field man for the Firemen's group in Oklahoma, has been assigned to take over the supervision of the three companies which have been handled by Mr. Lewis. This will be in addition to his responsibilities for the Firemen's, Girard F. & M., Mechanics and Pittsburgh Underwriters.

Missouri Field Club Meeting

The Missouri Fire Underwriters Association will hold its annual meeting and election of officers at Playport, on the Lake of the Ozarks, July 20. Ray Smith, St. Louis, is now president.

Hargreaves Heads Ontario Pond

TORONTO, July 19.—At the annual meeting of the Ontario Blue Goose, L. T. Hargreaves, Canadian manager Pearl Assurance, was elected most loyal gander.

Sullivan Seattle Initiative

SEATTLE, July 19.—At the Seattle Blue Goose golf tournament G. E. Moore, Fireman's Fund, won the Lee McKenzie memorial cup. E. E. Collins, London & Lancashire, who had charge of the tournament, was runner-up.

At the annual banquet J. M. Roddy of Tacoma presided. Commissioner W. A. Sullivan was one of the new members initiated.

W. P. Cassel, National Union Fire,

Castor Oil and Cod Liver Oil Are Both Good

-In Certain Cases!

BY THE FIRE COMPANIES OF
THE AMERICAN GROUP

BOTH "pour oil on troubled waters"—yet one is for the man who has had too much, and the other for the one who has had too little. To reverse the treatments would aggravate, rather than alleviate the trouble.

Can you imagine a surgeon telling his assistants "Next month, try to sell each of our patients an appendicitis operation; and the following month, let's put each applicant's left arm in splints." Yet that is just the type of sales promotion work in common use, today!

Now let us show you the logic of our "Current Opportunities" sales promotion campaign through the use of parallels.

1. When a patient is unable to visit a hospital, a trained staff man is sent to learn the trouble. We send our Field Man

—and he has been thoroughly schooled in Sales Promotion work.

2. The medical man carries a bag containing all of the paraphernalia needed to alleviate the common forms of distress. Our Field Man carries a kit containing 71 tested treatments for Agency development.

3. The doctor, from experience, sizes up the particular situation, and prescribes the proper treatment. Our Field Man does just that—but his services are gratis.

4. The physician asks that he be kept advised so as to make sure his diagnosis is correct: his job is to aid nature. And so it is with our Sales Promotion Department.

Would you like a trained staff man to visit your Agency; diagnose its possibilities; prescribe the treatment; and furnish the "medicine"?

THE AMERICAN OF NEWARK

• THE COLUMBIA FIRE OF DAYTON

• DIXIE FIRE OF GREENSBORO

was elected most loyal gander; Perry Huff, adjuster, supervisor; William Marks, DeMille General Agency, custodian; A. M. Lindholm, guardian; Martin Pool, Gould & Gould, keeper; E. S. Collins, wielder; W. H. Maloy and G. A. O'Sullivan, delegates to the grand nest.

Will Meet in September

The annual meeting of the Wisconsin Fire Prevention Association, which was to have been held in Milwaukee late in June but was postponed because of the absence of several officers, will be held early in September, according to C. R. James, Aetna, secretary-treasurer.

Truckmen's Cargo Policies Ordered Canceled by Sept. 1

(CONTINUED FROM PAGE 1)

"gap" in case the carrier on the truck operator's risk should refuse or delay payment, or should become insolvent. It is said there are a number of situations in which a surety bond would not give the complete protection afforded by the shipper's excess form.

Where surety bonds have been obtained, truck operators and shippers occasionally have attempted to get lower rates on their truck insurance, but the marine companies consider that the surety bond is not primary cover and therefore there should be no reduction in the marine premium.

Provisions of Bond

The surety bond usually used provides a stipulated penalty, and permits cancellation by setting a termination date with 15 days' notice. The bond becomes void if the truckman transports and delivers merchandise without loss or damage promptly after receipt of the goods, and if he pays all loss or damage to the consignor, including any loss sustained in loading or unloading operations from time of receipt or custody until final delivery, and if he pays the obligee any overpayment or overcharge in the freight or transportation charges, and also promptly remits all charges, papers, etc., to the obligee when collection for delivery is required. Otherwise the bond is in force.

In one such form widely used the surety does not assume any direct or contingent public liability or property damage on account of either negligence or non-negligence, nor does it agree to indemnify the obligee against claims of contingent liability to third parties.

The surety does not agree to become liable by reason of any shortages where these are due to error in shipping or computation, nor for loss of merchandise and property where the loss cannot be shown sustained through the acts of principals, servants or employees, or mysterious disappearance. The surety is bound only where the property is fully described in the bill of lading, freight receipt or manifest. Written notice is required within ten days after the loss and formal claim within 90 days. No suit can be filed after six months.

Many Life Companies Are Seceding From the I. A. C.

(CONTINUED FROM PAGE 3)

interests of its life members is the fact, according to Mr. Withe, that the nominating committee consists of two life insurance men, one casualty and two fire and the chairman is a life man. According to the constitution, the president next year will be a life company representative.

Mr. Mathus cited the motives for the petition to withdraw. One is that the advertising methods and problems of life insurance are entirely different from fire and casualty and that a combination of the groups has been found to be without merit or purpose. Mr. Mathus states the life group outnumbers the fire and

casualty by about two to one and the combined groups present an unwieldy and unsatisfactory situation for joint action.

The numerical strength of the life group, which is now nearly 100, he said, makes an organization sufficiently large for effective and forceful work.

One of the reasons for the decision of the life group to act at this time was that President Withe and the fire and casualty members of the executive committee decided to call off the annual meeting of the conference which was scheduled for Chicago in September. This proposal was opposed by representatives of the life group, although,

according to Mr. Mathus, the proposal was never up for discussion at a meeting of the committee and the decision was based on a ballot by letter. It was decided to go ahead with plans for the life group meeting in Chicago on the basis of the original decision of the executive committee.

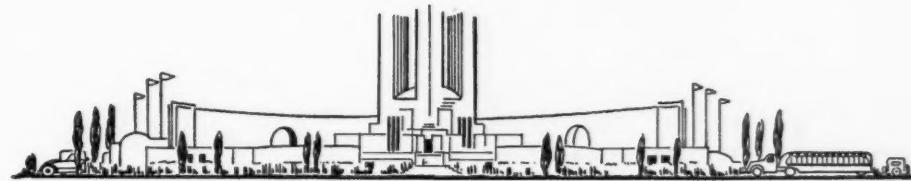
Seneca Gamble, Volunteer State Life, chairman of the life group program committee, has sent out a statement about the scheduled meeting in Chicago, Sept. 25-27. He points out that other conventions are being held in Chicago about the same time, including the Direct Mail Advertising Association and National Association of Life Underwriters.

President Withe has announced the report of the nominating committee for conference officers for next year. Those nominated are Henry H. Putnam, advertising manager John Hancock Mutual Life, president; A. H. Reddall, assistant secretary Equitable Life of New York, treasurer. Nominations for vice-president and secretary will be announced later.

Church With Inter-Ocean

Alonzo Church, formerly with the defunct LaSalle Fire of New Orleans, has gone to New York to manage a reinsurance office for the Inter-Ocean Reinsurance of Cedar Rapids, Ia.

Agricultural's forty years to Chicago's first World's Fair



PLUS FORTY MORE — TO DATE

When Chicago held its first World's Fair, the Agricultural was already 40 years old. Founded purely as a farm insuring company, it had progressed to a position of recognized leadership . . . and was already laying plans for wider development.

Just as 1893 is a historical marker for Chicago, so it is for the Agricultural. For in that year the company definitely began to lighten its farm business and to seek actively more business in the general classes.

Forty years ago we faced a serious depression at a time when the management was committed to a revolutionary change in policy.

Today we face a better future . . . and with full confidence because a still more serious depression has made its

tests and proved our position of unquestioned strength and stability.

The Agricultural reviews with some pride 80 years of insurance service . . . particularly the record of the period between Chicago's two World's Fairs.

* * *

Great credit for this success is cheerfully given to our agency organization. Well do we know the importance of the cooperation of many loyal agents. It is our hope that we may always deserve their confidence and friendship.

And—beyond that—we hope and believe that the record and reputation of the Company merits representation by other first rank agencies. Both the Agricultural and the Empire State have much to offer the agent who seeks to add a strong company.

Agricultural
Insurance Company.
of Watertown, N.Y.

offering all types of property insurance for industry or the home.

Business Boom Is Seen on Horizon

(CONTINUED FROM PAGE 1)

premiums before long, it is felt. In casualty and surety an entirely satisfactory volume is being done, considering the times. Renaissance of the construction business is expected before Dec. 31, and with this will come sale of con-

struction bonds, public liability, fidelity and other coverage. The marine business also has been in the doldrums, due to slight movements of merchandise, but already gains are seen and even partial return of general business will mean a great increase in freight, express, truck and ship movements, out of all of which the marine companies will profit.

Don't fight it out, think it out.

The Necessary "AGENT'S SLANT"

Actually we, as every Insurance Company should be, are in the "Agency Business."

For the success of this company depends upon the extent of its services to agents.

Knowing this fully well, we keep strict vigilance on the means by which we can best serve our agents. Having had many years of agency experience, throughout the ranks of our personnel, this factor is naturally recognized and considered important.

We emphasize the fact that "It is our Business to Make Your Business Secure."

Organized and managed by R. B. Jones & Sons Inc., Kansas City, Chicago

Kansas City Fire and Marine Insurance Company

Insurance Exchange
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Kansas City, Mo.
Federal Reserve Bank Bldg.

BACON, WHIPPLE & CO.
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1002 Plymouth Bldg., Minneapolis

116 John St., New York
369 Pine St., San Francisco

Conservation Committee's Deliberations Disclosed

(CONTINUED FROM PAGE 1)

Commissioner Mortensen said about a year ago he held an investigation at the request of a company into the affairs of an agent, who had not remitted to this company. As a result, Mr. Mortensen said he suspended the agent's license for six months. The agent appealed to the circuit court and the order was rescinded. The agent said there were plenty of insurance companies which were waiting to take him on.

Mr. Mortensen said that if policyholders are to get the lowest rate possible, the fundamentals of acquisition cost must be approached.

R. A. Corroon of the Corroon & Reynolds organization was called upon and said he would like to see the collections on a 60-day basis.

J. J. McGrath of the New York department said that the credit evil is to a large extent a result of the assumption that the 90-day credit in the annual statement for uncollected premiums means that the assured or the agent doesn't have to pay his premiums for 90 days. The minds of the public, agents and brokers and of some company officials, he said, must be disabused of the idea that 90 days is an accepted period of credit. The 90-day period generally becomes considerably greater and credit has been used by companies in competition.

Field supervision costs have gone up materially in the last six or seven years, he said. It has been growing worse in the face of commissions becoming progressively lower. Other field supervision expenses including collections, have gone up so that in casualty and surety there is a slight increase in the total acquisition cost in spite of a slight reduction in commission.

Views of Mauk

Commissioner Mauk of Texas expressed the belief that the problem is primarily and almost wholly the responsibility of the companies. In Texas, he said, the agent's qualification law provides that if an agent fails to remit promptly to his companies, his license is subject to revocation. It is almost impossible to enforce that provision, he said.

James A. Beha, manager National Bureau of Casualty & Surety Underwriters, said that the commissioners could help the companies materially in this direction.

Mr. Haid said that in 1930 there was a mark off by companies of about 3/10 of 1 percent because of agents failing to remit. In 1931 it was about 8/10 of 1 percent. In 1933 he predicted that the figure will run to at least 1.25 percent.

Mr. Haid said if agents would notify their companies within 45 days whether a policy is going to be canceled or stick and collect the premium or get the policy, pay their companies within 60 days, and if the companies were compelled to notify the commissioners as to agency delinquencies, the situation would be greatly improved.

Clark, Rawlings Appear

H. A. Clark, western manager of the Firemen's, and chairman of the Western Insurance Bureau, and Ralph Rawlings, president of the Monarch Fire and president of the bureau, said they favored the commissioners taking a hand in the problem.

Deputy Commissioner Gough of New Jersey said he doubted whether the commissioners could go to the length proposed without legislative authority. Several years ago, he said, he advocated instalment payment of premiums. Insurance is the only business that requires annual payment in advance. Very often the company is more at fault than the agent because it has permitted delinquencies to exist way beyond its own written contract and consequently it becomes no longer an

agency balance but a case of debit and credit.

W. H. Bennett Gives Views

W. H. Bennett, secretary National Association of Insurance Agents, said he favors the principle of agents being held responsible for moneys they have collected from assureds belonging to the company. But he expressed the belief that the wastage through untaken policies and accumulation of unpaid premiums does not fall upon the public. Petitions have never been presented from insurance companies to have rates increased because of this condition. The answer might be that the rates could be lowered if there was improvement in this connection. However, Mr. Bennett said that the insurance commissioners a few years ago said that the companies are entitled to a 5 percent profit before there shall be any reduction of rates and the saving that might be made would only help to insure that profit.

Agents by and large, he said, are not collecting premiums and squandering them upon themselves. There should not be a new rule that will throw practically every agency in the country into a position where it is wholly sunk. He said that the agents should be dealt patiently with because they need a little more time before they are called to account.

There was a good deal of discussion as to the wording of the resolution. Some of the resolutions that were proposed recommended cancellation of license of agents in arrears, but the final resolution recommended only that the commissioners call for a list of delinquent agents.

New W. U. A. Ruling Bars Appraisals by Companies

The governing committee of the Western Underwriters Association has adopted a ruling, prohibiting the guaranteeing of values by insurance companies so as to vitiate in any way the coinsurance clause. The ruling also is to the effect that use of appraisals by companies for the purpose of switching business will be regarded as unfriendly conduct. This ruling will remain in force until the fall meeting of the W. U. A., at which time permanent legislation on the subject will be proposed. The Eastern Underwriters Association has such legislation. The ruling in the west was prompted by the activity of the North America, which has been giving considerable appraisal service to assureds.

Sues on Repurchase Agreement

The Iowa National Fire has filed suit in St. Louis for \$378,919 against the Insurance Investment Corporation, of which Massey Wilson is president, for alleged failure to comply with an agreement made in 1930 to buy back from the Iowa National 1,050 shares of stock of the Agricultural Life at \$160 per share and 6,600 shares of Farmers National Life stock at \$25 per share on demand for such repurchase.

The Iowa National says it made a demand in writing Oct. 29, 1932, that the Insurance Investment Corporation comply with the terms of the agreement and take back the stock at the prices set forth but that the demand was ignored and not complied with.

W. F. Tilton Dies

W. F. Tilton, formerly general manager of the Underwriters Salvage of New York, died recently. Funeral was at Mt. Vernon, N. Y. He started with the salvage company in 1894 and was elected general manager in 1917. He retired in 1928.

Henderson Kansas City Deputy

M. J. Henderson has been named deputy insurance superintendent for Kansas City by Superintendent O'Malley of Missouri.

As Seen from NEW YORK

NEW LOSS PAYMENT PROVISION

When a \$2,000 loss was suffered by one of the city-owned buildings in New York City lately, the local fraternity became greatly exercised, fearing application of the deferred payment rule of the National Board might jeopardize the future of the \$25,000,000 schedule of the municipality. Agents recognize the entire propriety of suspending loss payments where any suggestion of moral hazard enters, but in cases such as that noted, where fire was the result of physical causes only, they feel settlement should be made as soon as the claim is adjusted.

The adjustment committee of the National Board, it is recalled, sanctioned departure from its rule in so far as conflagration losses are concerned, and in accord therewith speedy payments were made claimants at Ellsworth, Me., last May. In the minds of local men the company members of the National Board should be allowed certain flexibility in dealing with claims where municipalities or private concerns or individuals of the highest repute are concerned, without waiting for a reassembling of the adjustment committee. Failing such permission, agents assert they will be handicapped through the prompt loss settlements of mutuals, where the latter, as not infrequently happens, are interested with stock offices on the same line.

HOPPS IN LONDON

Stewart B. Hopps of the Pearl of London's United States branch is in London visiting his home office and arranging for a further extension of the Pearl's business in the United States. The Pearl's financial standing in this country was further raised some weeks ago by a remittance from the home office of the equivalent of \$500,000 in American money. The present low value of the American dollar as compared with that of last summer, when the Pearl home office sent over \$1,000,000, enabled it to get credit here on this last remittance for a much larger amount than the same amount of pounds sterling would have purchased in 1932.

MORTGAGE COMPANY'S NEW RULE

President Arthur Arnow of the General Brokers Association of the Metropolitan District states that a special meeting of that organization will be called to review recent action taken by the Title Guarantee & Trust Company of this city, a prominent mortgage company. The mortgage company is stated to be insisting that all fire insurance policies given to protect its mortgagee interest be stamped "Paid" by the office issuing them. When such insurance is placed through the mortgage company's own insurance department the property owner is allowed 60 days for payment of premiums due. There is a feeling among brokers that if some steps are not taken this practice may extend to other mortgage institutions.

RICHARDS RETURNS TO OLD POST

E. U. Richards, formerly vice-president of the Recording & Statistical Corporation of New York, has returned to that company after being connected with the Branham Press of Chicago for two years. Mr. Richards was at one time secretary of the Eastern Union, now the Eastern Underwriters Association. Later he was assistant manager of the National Board and then manager of the National Automobile Underwriters Conference. Mr. Richards' early insurance experience was with the Ohio Inspection Bureau and the Continental in New York.



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GOOD
AGENCY
COMPANY

NATIONAL
UNION FIRE
INSURANCE
COMPANY
Pittsburgh

That the risk involved in under-insurance of household contents is out of proportion to the premium required for adequate coverage is graphically demonstrated in the current Alliance national advertising. Alliance Agents will wisely tie-up by distributing Inventory Books to their clients.



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SAN FRANCISCO
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INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE CO.

of Providence, R. I.

Capital \$3,000,000

INCORPORATED 1928

ANCHOR INSURANCE CO.

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Each of these Companies writes the following classes of Insurance

FIRE—TORNADO—OCEAN and INLAND MARINE
AND THEIR ALLIED LINES
AUTOMOBILE—FIRE, THEFT and COLLISION

COMBINED POLICIES
AUTOMOBILE—FULL COVERAGE
GOLFERS' EQUIPMENT and LIABILITY
WITH

MARYLAND CASUALTY COMPANY

INCORPORATED 1832

VIRGINIA FIRE AND MARINE INSURANCE CO.

Richmond, Va.

Capital \$500,000

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SPRINKLER LEAKAGE TORNADO
AUTOMOBILE INSURANCE

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cashel, Manager

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Insurance and the Recovery Act

A dispatch from WASHINGTON indicates that the immediate interest of the federal government in the insurance field is restricted to the working conditions of the clerical forces. That is not a vital matter to the insurance business. The clerical help is probably better paid than in many other industries and any minimum that is set up for industry as a whole is not likely to prove embarrassing to the insurance business.

Those insurance people who have been courting federal control of one kind and another are those who may have an exaggerated concern about what the non-affiliated organizations are doing. Possibly, too much attention has been given by organization people to the activities of cut rate, high commission paying competitors. In every industry, there is a fringe of operators, who are following an unorthodox course and the leaders in every industry think that their own business has been singled out for this sort of competition. The department store operator grinds his teeth because a competitor across the street is selling shabby goods for a song. The oil people bring out the heavy artillery against cut raters, who sell a poorer grade of oil and gasoline. Yet those who are following an orthodox and yet enterprising course in most industries seem to be getting their percentage of the business. Where the activities of cut raters force wage conditions to a miserable level and demoralize an entire industry, much good can probably be obtained by the government wielding the big stick.

But we do not believe that the activity of cut rate companies in the insurance field is quite comparable. We believe that insurance people are inclined to over estimate the "menace" of competitors who depart from the rules. A few such companies, under able management that knows the business, are able to continue successfully on an individualistic course. However, the majority of companies that set sail alone are pure gamblers and in time are overtaken by the law of averages, if they do not correct their compass and take a charted course. Companies of this kind get a percentage of the business, but we do not believe that the percent-

age is a threat to the orthodox companies. Moreover, much of the business that goes to sharp shooters is not the kind that is attractive to the standard company. This is borne out by the experience of recent failures where much of the business of bankrupt concerns has been rejected by other companies.

In exaggerating the inroads that the sharp shooting fringe is making in the insurance business, the standard companies are permitting themselves to depart on many occasions from their own rules. Too many decisions as to rates and commissions, we believe, are influenced by the fancied threat of the sharp shooters, rather than because of what the outside fringe is actually accomplishing. Last week, THE NATIONAL UNDERWRITER printed a communication expounding somewhat this theory from JOHN A. GUNN, president of the EMPLOYERS MUTUAL CASUALTY of DES MOINES. Mr. Gunn spoke about the "chiseling" in the compensation business. The assured and agent or broker start out with the idea of getting a special rate and then proceed to conjure up to the company fear of what some outsider may do if the rate request is not met.

If the orthodox companies would stand by their guns more faithfully and banish much of the fear which they hold about the activities of outsiders, we believe that the competition of these non-affiliated institutions would appear much less serious. It does not now seem likely that the national recovery act will be invoked to bring outsiders in the insurance business in line and we doubt that such a course is as advisable as some of the organization people seem to believe.

THERE is no man under the sun, be he genius, wizard or king, but once in a while makes an error in judgment. That is only human. We make mistakes because our vision is not clear. Mistakes that are made when we are sincerely trying to do the right thing should be used as stepping stones to more correct thinking. If one continues to commit these errors it shows that indifference has overcome him. We should all profit by our own experience.

PERSONAL SIDE OF BUSINESS

W. W. Otter-Barry, general manager and secretary of the Sun, and Col. H. R. Hobson, assistant general manager at the home office in London, are visiting in Canada.

George Landers, special agent for the Northwestern Fire & Marine at Wichita, Kan., is confined to a hospital there with injuries received in an automobile accident near Norton last week.

J. F. Snyder, state agent for the St. Paul Fire & Marine in southern Kansas, is able to travel part time again, following several weeks' illness during which time he partly lost his sight and was seriously ill. Still under his doctor's care, Mr. Snyder is not allowed to read and must only travel during the cool of the day. He hopes to be back in the harness full time by Sept. 1.

Mrs. Mae Barr Long, deputy insurance commissioner of California, is celebrating her 27th anniversary with the insurance department. She was chief clerk for more than ten years, being named deputy commissioner in 1923. Mrs. Long served under six commissioners. She takes an active interest in club and civic affairs of San Francisco and has served as an officer of the Business & Professional Women's Club of San Francisco for a number of years.

T. C. Lynch, for the past nine years in the fire underwriting department of the Fireman's Fund at the head office in San Francisco, has been appointed assistant United States attorney for northern California.

C. A. Ritter, well known merchant of Mansfield, O., who was president of the Mansfield Mutual Fire, died the other day at the age of 75. The Charles Ritter Company has conducted its business with Mr. Ritter at its head for some 50 years. It is a book and stationery store. It also handles office supplies and furniture. Mr. Ritter had been connected with the Mansfield Mutual Fire for 22 years and was elected president in 1925.

C. B. White, president of the Insurance Agents League of Washington, is being congratulated on his return to health, following his recent serious illness, and has again taken up his duties as head of Sparkman, McLean, Newell & White, Seattle. Mr. White now expects to participate in the league's annual meeting in Tacoma Aug. 10-11.

C. F. Low, 79, former manager of the southern department of the Liverpool & London & Globe, died in New Orleans after an illness of several years. A native of New Orleans, Mr. Low entered the company's office there Jan. 1, 1880. For many years he was special agent and adjuster in the southern territory, and was promoted from that position to assistant secretary. He was made secretary in 1895 and shortly thereafter his title was changed to manager. He held that office until his retirement in 1921. Mr. Low was active in the Southeastern Underwriters Association, serving as president from 1914 to 1916.

The home office of the New Hampshire Fire in Manchester, N. H., is being set off to better advantage because of improvements that are being started in the neighborhood. Immediately to the left is being constructed the new federal building, which is a handsome white granite structure. Shortly, the nearest cross street to the office of the New Hampshire will be widened and beautified. Back of the New Hampshire building is the structure of the Historical Society of Manchester, which was built about five years ago.

F. P. Carpenter, a director of the New Hampshire and an outstanding citizen

of Manchester, has been largely instrumental in bringing about these improvements. So eager was he to have a new postoffice in Manchester, that he volunteered to furnish the funds to build such a structure if necessary. He also donated the funds for a memorial library which stands near the New Hampshire building.

The New Hampshire building more than holds its own architecturally in this neighborhood. It is one of the most attractive insurance home office buildings in the country.

J. F. Fowles, president Wasatch Insurance & Investment Company, Ogden, Utah, and a former president of the Utah Association of Insurance Agents, has been appointed Utah manager for the Federal Home Loan Bank. He is now attending a special session of the Utah legislature, being president of the senate.

Hazen A. Hafer, secretary of the Dyer-Jenkin-Barry Company, Lansing, Mich., died last week in a Grand Rapids hospital. Mr. Hafer late in June developed an acute sinus infection which caused an abscess on the brain. Meningitis eventually resulted. Two operations were performed in an effort to halt progress of the malady but were unsuccessful. He had served as secretary of the Lansing local board.

Improvement in the condition of Harold Smith, son of Clyde B. Smith, former president National Association of Insurance Agents, has permitted the elder Smith's return to his Lansing agency from the sanatorium in Colorado where his son has been confined for some months. His condition had been believed critical some three weeks ago but, with this crisis past, he is apparently on the road to recovery again, after several setbacks.

Franklin W. Fort, well known reinsurance executive of Newark, will leave Aug. 1 for London, where he will meet his daughter, Miss Barbara, and son, William. Miss Barbara will return to America the latter part of August while William will remain in England, where he will continue to study at Cambridge University.

F. H. Brown of the Brown & Martin agency, Louisville, has been dangerously ill for a week or more in a hospital there, but passed the crisis late last week, and now apparently is on the road to a slow but complete recovery. His trouble was traceable to toxic poisoning caused by infected teeth.

W. S. Gilliam is rounding out 20 years of continuous service as secretary-manager of the Insurance Exchange of St. Paul. In the 20 years he has had just one real vacation.

W. G. Earls, son of W. A. Earls, well known Cincinnati local agent, is taking a two months trip to Europe this summer to study the methods and operations of life insurance companies in England, Germany and France.

Lee Herdman, insurance director of Nebraska, is still confined to an Omaha hospital, with visitors barred, but reports from attending physicians are that he is well on the way to recovery, with his nervous condition much improved and his sight almost fully restored. A heart attack following a cataract operation has held him in the hospital for two months.

G. R. Juenger, Indiana state agent of Crum & Forster, was a guest in the hotel at Wyandotte Cave in southern Indiana when it burned one night last week. He escaped without loss or injury.

A new deal for FIRE AND MARINE INSURANCE

AS the Government's program for industrial recovery gathers momentum, indications point to a gradual rise in values. Already, in certain industries the first of these increases have made themselves apparent.

With this rise in values comes the need for new and additional insurance coverage, which will mean greater opportunities for the sale of Fire and Marine Insurance in all their branches.

This is a time when it is highly important to represent a company that offers the utmost in sales co-operation and service facilities. The company must be aggressive and progressive, quick to recognize changing needs and through efficient management, provide unquestioned financial dependability.

**THE AUTOMOBILE INSURANCE COMPANY
AND
THE STANDARD FIRE INSURANCE COMPANY
OF HARTFORD, CONNECTICUT**
affiliated with
THE AETNA LIFE INSURANCE COMPANY—THE AETNA CASUALTY AND SURETY COMPANY



FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Iowa Agents Drafting Code

First State Association to Take Action Along That Line Under National Recovery Act

DES MOINES, July 19.—Anticipating the possibility of insurance being brought under the national recovery act, plans for drafting a code to be presented at the convention of the Iowa Association of Insurance Agents at Fort Madison Sept. 1-2 were launched at a conference here Friday, attended by 30 leading members of the Iowa association. The Iowa association is the first one to go on record in that connection. W. A. Scherfe of Fort Madison, president of the Iowa association, presided. Commissioner W. A. Clark spoke at the luncheon and pledged his cooperation.

There was some discussion of alleged unethical practices, which should be corrected to stabilize conditions, and a committee was appointed to outline procedure on fair practices, composed of John Hynes, Davenport; J. R. Vaughn, Waterloo; Clayton Stubbs and Milo Whipple, both of Cedar Rapids.

Walter Ferrell, secretary Iowa Automobile Merchants Association, told of the practice of some garages and dealers in giving rebates on repairs and accessories to insurance agents, and likewise the practice of some insurance men in giving rebates to automobile firms. The following committee was appointed to confer with Mr. Ferrell on this matter: R. M. Evans, Des Moines; Clayton Stubbs, Cedar Rapids; J. Dillard Hall, Des Moines; John Hull, Ottumwa, and A. C. Root, Clinton.

Prominent Speakers Are on Upper Peninsula Program

The program for the annual meeting of the Upper Peninsula Association of Insurance Agents at Ishpeming, Mich., July 29, has been completed and is announced by O. R. Sandell, secretary. James A. Flaa, president, will be in the chair. The address of welcome will be given by Mayor Moulton of Ishpeming and the response by A. W. Peterson, local agent of Ironwood.

There will be open discussion of the problem of collections, led by O. V. Thatcher, local agent of Escanaba; on inland marine lines, led by E. D. Lawson of Chicago, manager of the Fireman's Fund western marine department, and underwriting of casualty and surety lines by George Goetz, of Milwaukee, manager United States Fidelity & Guaranty.

The first feature of the afternoon will be an address by John P. Old of Sault Ste. Marie, and for diversion there will be some dialect stories by R. C. Pryal, local agent of Escanaba. Later in the afternoon the guests may go sight seeing or play golf.

George B. Sedgwick, assistant western manager of the Great American, who practically owns the upper peninsula, being a native of that territory, will be toastmaster at the banquet. He will be introduced by Mr. Flaa, although any introduction of Mr. Sedgwick to the agents of the upper peninsula will be superfluous.

The address of the evening will be given by E. A. Henne, vice-president and western manager of the America Fire companies, who will speak on agency relations.

Among the guests will be Charles E.

Freese of Detroit, president of the Michigan Association of Insurance Agents, and Shirley E. Moisant, secretary Illinois Association of Insurance Agents, who desires to inspect the iron mines and quarries of the upper peninsula.

Public Buildings Uninsured

DES MOINES, July 19.—A fire loss to the municipal hangar at the Des Moines airport brought out that only \$2,500 fire insurance is carried on the new hangar, completed last December at a contract cost of \$16,000.

No insurance is carried on the city hall, the municipal court building and contents, fire stations, library, courthouse and jail. Several other buildings are insured at less than half their value. City hall contents are covered for \$10,000.

Consider Ohio Law Revision

COLUMBUS, July 19.—Under the auspices of the Ohio chamber of commerce, a meeting of presidents of insurance companies is being held here today to consider recodification and revision of the Ohio insurance laws, other than those relating to life insurance. The subject has been under consideration by the chamber of commerce for several years and at a meeting held in January committees were named to devise plans for carrying on a thorough study of the Ohio statutes as they relate to insurance. It is planned to have each insurance group direct the survey relating to its own laws.

E. M. Griggs, assistant general counsel of the National Board, is attending the meeting.

Many Indiana Storm Losses

All adjusters in Indiana have been very busy for several weeks with wind-storm losses pretty well distributed over the state. There have been heavy windstorms but only one that resembled a tornado, that of July 3 near Rushville. Losses have been reported in small amounts, few exceeding \$1,000, but the aggregate has summed up a pretty large total that will have a real bearing on the underwriting experience for the year in the state.

Lofgren Dodge County Speaker

WAUPUN, WIS., July 19.—C. A. Lofgren, Milwaukee, state agent Security of Iowa, spoke at the July meeting of the Dodge County Insurance Agents Association on relations between agents, field men and companies, present day problems of the business and activities of the Wisconsin State Fire Prevention Association, of which he is president. The next meeting will be held Aug. 14 at Woodland.

Gandy, Smith on Program

MANSFIELD, O., July 19.—The executive committee of the Ohio Association of Insurance Agents is meeting here today, the principal purpose being to discuss the program and arrangements for the annual meeting of the Ohio association in Marion, Aug. 23-24. F. P. O'Connor of Lima is chairman of the program committee and he is making his report to the executive committee today.

The committee has decided to make the convention an open meeting rather than restrict it to the membership. Invitations have been extended by mail

to about 3,500 agencies in the state and all Ohio agents are welcome and urged to attend.

Among the speakers will be C. L. Gandy of Birmingham, president of the National Association of Insurance Agents, and Clyde B. Smith of Lansing, Mich., former president.

Oil Burner Ruling Stands

MADISON WIS., July 19.—Motion for rehearing on Commissioner Mortensen's order to the Fire Insurance Rating Bureau, Milwaukee, to discontinue a 3-cent after-charge on buildings where oil burner installations had been made not having the Underwriters Laboratories label, was withdrawn. The bureau will discontinue the charge and abide by the commissioner's original order of Dec. 20, 1932.

Commissioner Mortensen declared that the order in no way reflected on the value of the work or the integrity of the Underwriters Laboratories.

Open Forum at Wichita

WICHITA, KAN., July 19.—Howard Snyder of Smith, Stone & Snyder presided at the regular meeting of the Wichita Insurers in the absence of President A. E. Smoll. The meeting was converted into an open forum for discussion of problems of the day. F.

T. Priest, national councillor, made a short talk. T. M. Fergus of Minneapolis was a guest and spoke briefly on local board cooperation. An "On to Hutchinson" committee was appointed to organize a large delegation for the state convention in Hutchinson Oct. 19-20.

Cincinnatians Have Funday

About 130 members of the Cincinnati Fire Underwriters Association attended an outing, called "Funday" at Tom Cody's farm, Erlanger, Ky.

New Insurance Society Trustees

The Insurance Society of Columbus has elected E. D. Gardner, F. F. Jaeger and H. S. Mesloh trustees for three years. The board will meet in a short time to elect officers. F. S. Kirkpatrick is now president and R. M. Knepper secretary-counsel.

Changes in Local Agencies

J. G. Lemmer has purchased the Henri Paul agency, Cedar Falls, Ia.

G. S. Rather, manager of the insurance department of the old Bankers Trust Company of Little Rock for three years and recently manager of the Insurance Department of the Bankers Mortgage Loan & Insurance Company, has resigned to open his own agency at 117 West Second street.

EASTERN STATES ACTIVITIES

W. Va. Program Announced

Allan I. Wolff, Commissioner Sims and Deputy Commissioner Justice Are Among Convention Speakers

Some of the features of the annual meeting of the West Virginia Association of Insurance Agents in Fairmont, July 24-25 are announced by R. M. Henry, president.

Among the principal speakers will be Allan I. Wolff of Chicago, chairman executive committee National Association of Insurance Agents; Commissioner E. B. Sims of West Virginia; H. P. Tompkins, president West Virginia traffic safety council; Dr. Eugene Hardy, secretary West Virginia Flour & Feed Dealers Association, and Deputy Commissioner Harlan Justice.

Plan Get Together Dinner

The get-together dinner will be held the evening of July 24. The first business session begins at 1:30 p. m. July 24. Headquarters are at the Fairmont hotel.

After the preliminaries, Mr. Henry will give his report as president and F. R. Bell will report as national councillor. This will be followed by the various committee reports and then H. S. Ellis will report as secretary.

Mr. Wolff and Mr. Sims will address the banquet.

Program for Second Day

Mr. Bell will open the session the morning of July 25 with a discussion of the work of the National association at its 1932 convention. Francis Calley will lead the discussion on value of company financial statements to agents. Addresses will follow from Mr. Tompkins and Mr. Justice. W. F. Leeper of Parkersburg will then lead a discussion on "Organization." C. A. Staats will be the discussion leader on "Price Selling."

Dr. Hardy will then give his address on the last year's activity of the West Virginia Farm Bureau Service Company. C. W. Evans will lead the discussion on "The Best Means to Develop the Association." R. P. DeVan will discuss "The Year Ahead."

Significance of W. Va. Rule

National Board Advises Members as to Order Requiring Tender of Unearned Premium with Cancellation

J. H. Doyle, general counsel of the National Board, has addressed to members a communication in connection with the ruling of the West Virginia department requiring cancellation notices of policies on which the premium has been paid in whole or in part to be accompanied by the full return premium.

Mr. Doyle said it is imperative for the companies to follow the West Virginia instructions to relieve themselves of liability. The purpose of the West Virginia department is to preclude the possibility of any practice by which a company unable to collect its balances from an agent instructs him to cancel or serves notice of cancellation for non-payment direct to insureds, who having paid the agent, are embarrassed by the refusal of the company to refund the unearned premium and find it necessary to apply to the department to intercede.

The trouble arises when a delinquent agent is instructed by a company to cancel all or a large part of the outstanding policies, in order to offset indebtedness. The agent does this and replaces this company's policies with those of other companies in his agency. He may previously have collected from the insured. Then a few months later, the second company may instruct the agent to cancel out. Under the West Virginia ruling, this company must tender the unearned premium to the assured, but the second company has not received the premium nor has the agent received it as a representative of the second company. Therefore, the opinion is expressed in some quarters that the second company has a right of action against the first company for the return premium.

Competition Not So Aggressive

NEW YORK, July 19.—Competition from the factory mutuals, which appears

LOYALTY GROUP

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d Vice Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board
 H. S. LANDERS, President J. C. HEYER, Vice Chairman WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McClure, 3d Vice Pres. T. A. SMITH, Jr., 3d Vice Pres. F. J. ROAN, 3d Vice Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board
 H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McClure, 3d Vice Pres.

COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

WESTERN DEPARTMENT
 844 Rush Street, Chicago, Illinois
 HERBERT A. CLARK, Vice President
 H. R. M. SMITH, Vice President
 JAMES SMITH, Secretary

CANADIAN DEPARTMENT
 481-467 Bay St., Toronto, Canada
 MASSIE & RENWICK, Ltd., Managers

EASTERN DEPARTMENT
 10 Park Place
 NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
 220 Bush Street,
 San Francisco, California
 W. W. & E. G. POTTER, 2nd Vice Presidents
 FRED W. SULLIVAN, Secretary

SOUTH-WESTERN DEPARTMENT
 912 Commerce St., Dallas, Texas
 OLIN BROOKS, 2d Vice President
 BEN LEE BOYNTON, Res. Vice President
 A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL



IN times like these insurance agents appreciate a company which is not only financially strong, but which gives real sales help to its representatives. That is why our agents like the Twin City.

TWIN CITY FIRE INSURANCE COMPANY

John H. Griffin, Vice Pres. & Mgr.
MINNEAPOLIS, MINNESOTA

to be particularly aggressive in the west just now, is not noticeable in the east, at least in so far as sprinklered risk properties are concerned. Numerous schedules covering new risks, or properties that have been idle for some time, are now being offered and the business written by the stock offices. In the south the F. I. A. long ago so entrenched itself that the great bulk of the textiles in the territory are now insured through that organization.

Baltimore Minimum Increased

BALTIMORE, July 19.—The minimum premium policy to be written by members of the Fire Underwriters Association of Baltimore has been raised from \$2 to \$3, effective Sept. 1.

McNeill Receives Silver Medal

A. Y. McNeill, of the Philadelphia agency of Beidler & Bookmyer, who also conducts an agency at Haddonfield, N. J., has been presented a silver medal for 25 years' connection with the Home of New York. Mr. McNeill is also celebrating his thirty-fifth anniversary with the Philadelphia firm.

Lunch Club Taken Over

BOSTON, July 19.—The insurance men's lunch club operated for the past three or four years by the Insurance Society of Massachusetts has been taken over the past week by the Bay State Club, an organization of Massachusetts special agents, under an arrangement whereby insurance men generally have the lunch privileges of the club.

E. L. Warfield Sells Agency

E. L. Warfield has sold his Charles-ton, W. Va., agency to the Hanna agency of that city. Mr. Warfield is now making his residence in Chicago. He is seeking to make a connection in that city. He was formerly with the Patterson, Bell & Crane Co., general

agency of Charleston. Before that he was at the head office of the Globe Indemnity and prior to that was assistant secretary of the New York Indemnity.

Eastern Notes

The Home of New York has presented a 25-year service medal to **W. B. Hambleton** of Gloucester, N. J.

The **W. F. Curran agency** of Bangor, Me., has been purchased by V. H. Mutty

of Melrose, Mass., and will be operated as Mutty-Curran. Mr. Curran, who has operated that agency for 43 years, will now devote his attention to his work as an independent adjuster.

J. B. Theurer, formerly with Jones & Whitlock in New York City, has established an agency at West New York. The agency has also offices in New York City.

Win success and you will have money to invest.

PACIFIC COAST AND MOUNTAIN

Montana Program Completed

Many Headliners Scheduled to Address Annual Meeting of Agents Association at Bozeman

The program for the annual conference of the Montana State Association of Insurance Agents Aug. 7-9 at Bozeman has now been completed. The opening remarks will be made by T. W. Midkiff of Great Falls, honorary president. The response will be given by F. M. Davidson of Anaconda, vice-president of the association.

Secretary E. L. Heidel will report and he will be followed by President E. E. McMahon and Vice-President Davidson.

There will be reports by regional vice-presidents, they being R. J. Trudelle, Butte; C. R. Lowery, Great Falls, and V. D. Caldwell, Billings.

The next speaker will be W. H. Bennett, secretary of the National Association of Insurance Agents. F. M. Davidson will report as chairman of the legislative committee. F. B. Winger of Butte will give an address on the advisory committee member of local agents—reaction to state association. Deputy Commissioner F. L. Sorenson will give an address and he will be followed by W. E. Rae of Great Falls, president of the special agents' association.

The morning of Aug. 9, Investment Commissioner J. D. Kelley will give an address. He will be followed by R. M. Hill of Butte, manager of the Fire Companies Adjustment Bureau. In the afternoon there will be an address by F. J. Sullivan of Butte and he will be followed by Roy Glover, an attorney of Great Falls, who will discuss casualty problems. The banquet will be held the evening of Aug. 9.

The Bozeman Insurance Association will act as host. H. L. Casey is president of that association and G. C. Waite is secretary.

Secure Short Rate Premium

SAN FRANCISCO, July 19.—The Pacific Board has been successful in its demands that the state of Montana pay the short rate premium on fire insurance policies totaling approximately \$8,000,000 which were canceled May 1, when the business was written in mutual companies. The board of examiners of Montana, who placed the business, requested cancellation on the pro rata basis, but the Pacific Board companies contended that cancellation on any other than the short rate basis would be discrimination. Checks covering the earned premiums on the proper basis, totaling approximately \$20,000, have been received by the companies. The difference between the pro rata and short rate premiums was approximately \$5,000.

Agents Law Constitutional

PHOENIX, ARIZ., July 19.—The Arizona agents qualification law passed this year by the legislature is constitutional, according to C. L. Strauss, assistant attorney-general. In a letter to G. A. Brown, director of insurance, Mr. Strauss said that the provisions of the bill are enforceable and that they do not conflict with either the constitution of the United States or Arizona.

Announce Washington Plans

Bennett and Cairns Among Feature Speakers at Tacoma Meeting Aug. 10-11—Mann in Charge

SEATTLE, July 19.—A tentative program for the annual convention of the Insurance Agents League of Washington, to be held Aug. 10-11 at Tacoma, has been announced. Commissioner W. A. Sullivan of Washington will speak and J. K. Woolley, manager Washington Surveying & Rating Bureau, will discuss "Insurance Rating Under the General Basic Schedule." Walter H. Bennett, secretary National Association of Insurance Agents, will talk on "Breakers Ahead," and at the banquet on "Banking, Insurance and Public Welfare." Edward T. Cairns, vice-president Fireman's Fund, will also speak. Other speakers will be W. B. Rasmussen, state agent Home of New York, on "What the Company Likes to See in Its Agents"; Aubrey Willton, Seattle, "Security Values in Relation to Financial Statements"; R. S. Drake, automobile department, United Pacific Casualty, "Public Carriers and Certified Truckmen," and R. C. Forman, educational director Puget Sound Power & Light Co., "What the Buyer of Insurance Expects of His Agent."

A banquet will be held Aug. 10, with A. B. Comfort, president Pierce County Agents Association, as toastmaster. On Aug. 11 the Union Pacific Casualty will be host at a cabaret dinner dance. H. N. Mann, Tacoma, is general chairman of the convention.

Plans for Wyoming Meeting

C. V. Davis of Sheridan will preside over the annual meeting of the Wyoming Association of Insurance Agents July 28-29 at Casper. The chief speaker will be W. H. Bennett of the National association. The banquet will be held the evening of the first day. H. F. Farnsworth of Riverton is vice-president; D. L. LaBreche of Casper, chairman executive committee, and A. E. Tweed of Casper, secretary.

Cut Dividends on Farm Risks

SEATTLE, July 19.—Dividends on farm business have been reduced from 20 to 10 percent by the General of Seattle on all three-year business. The dividend rate on one-year policies remains at 20 percent.

The Northwestern Mutual Fire has also reduced dividends on farm business in Washington, Oregon and Idaho and eliminated the 20 percent reduction on rates on annual payment policies.

Fireman's Fund Officials Active

SAN FRANCISCO, July 19.—L. M. Caldwell, assistant vice-president Fireman's Fund and Occidental Indemnity, has returned to the head office here from a month's agency trip through Oregon, Washington and Montana. While in the Pacific northwest, Mr. Caldwell visited Portland, Seattle, Spokane, Butte and Helena.

A. F. Muenter, assistant secretary Fireman's Fund, has returned to San Francisco from an agency trip through Colorado, Wyoming, New Mexico and Utah. L. S. Gregory, assistant secre-

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tary, is making an agency trip in Montana and Washington, stopping at Butte, Missoula, Helena, Great Falls, Spokane, Tacoma and Seattle. Mr. Gregory will not return to the head office until Aug. 1.

Deviations Are Withdrawn

SEATTLE, July 19.—The Pacific Fire, New Jersey Fire and Bankers & Shippers Fire have withdrawn their flat 20 percent deviation from the rates of the Washington Surveying & Rating Bureau. This action brings rates back to the 1923 level. A court action involving deviations is also stopped. Commissioner Sullivan is given credit for the withdrawal of these deviations, which followed a trip he made to New York for this purpose.

American Legion Active

SAN FRANCISCO, July 19.—The California American Legion has started its second year campaign of fire prevention.

IN THE SOUTHERN STATES**Louisiana Windstorm Rate Case Ordered to Be Retried**

NEW ORLEANS, June 19.—The windstorm rate case has been remanded to the lower court for retrial by the state supreme court. The companies contend that the 5 percent underwriting profit permitted by law covers the gross profits of all insurance written and although a large underwriting profit is made on windstorm insurance, the average profit on all lines is under the permitted 5 percent.

The court concurred in the property owners' contention that if fire rates are unprofitable they should be raised, because when companies write fire but not windstorm insurance it makes the competition unfair. The case will be tried in the fall.

New Little Rock Agency

J. R. Fordyce, Jr., and R. W. Polk, Jr., have opened a new agency as Fordyce, Polk & Co., 308 Boyle building, Little Rock, Ark.

Mr. Fordyce was formerly manager of the group life and accident and health department of the Home Life of Arkansas and more recently has been special agent for the Prudential. Mr. Polk was formerly special agent for the Home Fire and Home Accident and recently was managing underwriter of the fire insurance department and manager of

tion in an effort to reduce the number and severity of field, brush and timber fires. Particular attention will be paid to fires caused by people carelessly throwing lighted cigarettes from automobiles, which has caused more than 70 percent of the fires in past year. In 1932, which was the first year of the campaign, the loss was 71 percent better than the average for the ten preceding years.

Far Western Notes

J. M. Knowles, Yuma, Colo., has purchased the agency of G. K. Funk.

The **R. H. Blum** agency, Longmont, Colo., has taken over the insurance business of the Saint Vrain Realty Co.

Frank West, formerly of Los Angeles, has become manager of the Charles T. Fertig agency, Colorado Springs. Mr. Fertig died recently.

The **Pacific Northwest Agency** has been opened in Seattle by E. C. Brock, former life manager of the Phil Grossmeyer general agency, Portland. Mr. Brock is president of the new agency and D. M. Lancaster is secretary-treasurer.

the casualty department of the Southwestern Fire of Phoenix, Ariz.

Approves Atlanta Department

ATLANTA, July 19.—G. L. Swann, National Board engineer, has completed his report on the Atlanta fire department and praises its efficiency. There is no basis for any criticism and it is probable that the raise in insurance rates threatened last year will not be made. In the last year's report the department was sharply criticized for the political manner in which the personnel and officers of the department were selected with resulting inefficiency.

School Committee Named

OKLAHOMA CITY, July 19.—A committee has been appointed by the Associated Fire & Casualty Underwriters of Oklahoma City to act in an advisory capacity to the city school board in insurance matters, composed of E. R. Ledbetter, chairman; J. S. Adams, M. B. Breeding, Charles Stickley and Leeland Booth.

Form New County Exchange

Local agents of Tallahatchie county met at Sumner, Miss., and organized the Tallahatchie County Insurance Exchange. These officers were elected: W. A. McMullen, president; W. F. Lambert, vice-president, and W. F. Flatt, secretary-treasurer.

MARINE INSURANCE NEWS**I. M. U. A. Governs New Line****Association Assumes Jurisdiction Over Garment Contractors' Floaters, a High Rated Business**

Jurisdiction over garment contractors' floaters as of Sept. 1, 1933, has been assumed by the Inland Marine Underwriters Association under a resolution adopted by the executive committee of that organization. This action is binding pending the drafting of amendments to the constitution and the ratification by the I. M. U. A. members.

The minimum rate for women's wear including cloaks, suits and dresses is 6 percent; for men's and boys' wear, including overcoats, suits, parts of same, 4½ percent; other wearing apparel 4½ percent. The rates must be charged on the total amount of insurance at all locations, which amount shall be subject to the 100 percent coinsurance clause. These rates are for the standard rider

which gives coverage against such loss or damage from fire, water damage, burglary and hold-up.

The policies may be extended to cover against direct loss or damage caused by malicious mischief, rioters, strikers, etc., the minimum premium being 1 percent for women's wear, 1½ percent for men's and boys' wear and 1 percent for other wearing apparel.

For an additional premium of 1½ percent for women's wear and other wearing apparel and 1 percent for men's and boys' wear, an endorsement may be attached extending the coverage on premises of contractor against theft, but are not against conversion, dishonesty or mysterious disappearance. No policy may be issued for more than one year. Commissions are 15 percent to agents and 10 percent to brokers in ordinary territory and 20 percent to agents and 15 percent to brokers in excepted cities.

The form adopted by the executive committee requires the assured to report to the company or agent every loss or damage which may become a claim

and also to file with the company or agent within 90 days from date of loss a detailed sworn proof of loss. All goods, in case of a claim, shall be valued at actual cost to assured, but not exceeding market value. The policy is terminated on the 16th day from the date of inception without further notice if premiums are not paid.

Lectures on Inland Marine

NEW YORK, July 19.—So great an interest has developed in inland marine

insurance that the Insurance Society has arranged for the delivery of a series of lectures upon the different phases of the business. The initial lecture will be given Oct. 4 and will be followed by one each week for the succeeding 18 weeks.

The Sloss-Holt Insurance Agency, Little Rock, Ark., has been opened by A. W. Sloss, for 20 years in real estate and insurance there, and L. E. Holt, formerly with the insurance department of the Bankers Trust Company. Offices are at 515 Cumberland street.

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Field Correspondent

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**at home
at work
at play**

This month we consider

THE BUSINESS MAN



THE business man has his problems, and among them are those relating to insurance. How the insurance agent or broker can help in the solution of these problems, seemed worthy of special attention in a magazine published for the purpose of trying to help the insurance agent or broker increase his premiums.

For example, how does liability insurance meet the needs of the business man at home, at work, at play? What recent fidelity bond losses prove that it is not business-like for the business man to be without this form of protection?

Of what value is the inspection department to the business man? How do the various forms of burglary insurance fit into the picture? Why is the business man a good prospect for accident insurance? These and other questions are answered in the July issue of *The Employers' Pioneer*. We try to show what kind of insurance men are needed by business

men and what kind of business men are needed by insurance men.

In addition, other articles of interest to the insurance fraternity appear in this same issue. Why must those in the insurance business watch expenses now, more than ever before? What is the greatest opportunity for the insurance agent and broker? What recent court decisions are not only interesting to agents and brokers, but to policy-holders and prospects as well?

You'll find the answers in the July issue of *The Employers' Pioneer*.

A copy of the July issue is yours for the asking.

There is absolutely no obligation on your part. Address your request to The Publicity Department, 110 Milk Street, Boston.



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The National Underwriter

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CASUALTY AND SURETY SECTION

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Compensation Is Put Under Review

Commissioners' Committee Studies Proposals for Reforming Coverage

FETZER EXPLAINS PLAN

Views Given by Many Insurance Men Attending Session Presided Over by Van Schaick

NEW YORK, July 19.—Proposals for reform of workmen's compensation which would have been deemed unthinkable a few years ago received serious attention from the special subcommittee on compensation of the National Convention of Insurance Commissioners and from more than 50 insurance men interested in compensation who were invited by Superintendent Van Schaick, chairman of the subcommittee, to attend and discuss possible remedies.

Round Table Discussions

While all the proposals presented have been discussed at various times in the insurance press and elsewhere, the meeting gave the committee an opportunity of assembling all possible suggestions, of questioning their proponents directly and of obtaining the reactions of others close to the compensation business.

There was evidence of difference of opinion on many points. The meeting was intended to draw out various points of view rather than to debate any individual proposals. It was the object of the committee to gather and coordinate suggestions with a view to presenting conclusions and recommendations to the commissioners in December.

Fetzer Offers Suggestions

The most far-reaching proposal was undoubtedly that of Wade Fetzer, vice-chairman Fidelity & Casualty and president W. A. Alexander & Co., Chicago, for a retrospective or participating plan of rating under which premium rates would be pitched at a level greater than that indicated by past experience, with the object of providing against rising trends in loss cost, the excess premium being returned to the policyholder at the end of the policy term.

Discussion of rate-making procedure centered around the faults of the present system of basing premium rates on payrolls, because of the tendency of premium income to rise and fall without corresponding change in the benefits payable to injured workmen. There would probably have been more discussion of this point were it not that a committee of the Casualty Actuarial Society is making a study of this subject and is to report its findings to Mr. Van Schaick's committee.

On the application of rates, discussion

National Bank Receivers to Place Surety Bonds Locally

AGENTS TO GET COMMISSIONS

Comptroller of Currency Orders Discontinuance of Schedule Bonds—Use Treasury Approved List

NEW YORK, July 19.—Surety officials are gratified to have word from the comptroller of the currency at Washington that the procedure with respect to the placing of bonds of the receivers and conservators of national banks has been changed. Heretofore the practice has been to ignore local agencies of these companies and to write schedule bonds with approved surety companies. A number of companies have recognized their agencies in such cases by crediting them with commissions on such transactions and others have paid commissions where agents have advised them of their interest. Now all receivers and conservators will be permitted to personally secure their bonds locally, the only stipulation being that the company be on the approved list of the treasury department. The ruling now made, coming from the office of J. E. Fouts, supervising receiver and supervising conservator in the office of the comptroller of the currency, is as follows:

Details of Ruling

"Schedule bonds will no longer be written but conservators and receivers will be instructed to procure individual bonds, forms to be furnished by this office. The companies to be selected by the applicants and the bonds to be written by local agents in the communities in which the banks may be located. This policy is not to be retroactive and in the event changes are made either in receivers or conservators heretofore covered by schedule bonds the successor receiver or conservator will be continued in the company originally writing the schedule bond. In cases, however, where receivers are to replace conservators the receiver's bond will be written on an individual form in a company selected by him."

The importance of this ruling hinges on the fact that approximately 1,500 banks in this country are in the hands of conservators or receivers and the amount of bonds in each case is from \$10,000 to \$50,000, with some large bonds like that of the First National Bank of Detroit, where the amount is \$3,000,000.

dealt chiefly with the mechanics of securing accurate payroll data and some of the weakness in present methods of auditing payrolls. The present system of classification of employments was attacked because of the opportunity for misclassification, resulting in the application of improper rates under a title not contemplated for the character of work involved.

As to the expenses of conducting the business, it was the opinion of those who spoke that they are reasonable and warranted. While the allowance for expenses, such as taxes, agents' com-

(CONTINUED ON LAST PAGE)

Heavy Plate Glass Raises for Chicago and Cleveland

CHANGES IN OTHER SECTIONS

Racketeering, Labor Troubles and Indifference of Property Owners Blamed for Excessive Losses

Skyrocket increases in plate glass insurance rates for Chicago and Cleveland, with minor increases in a number of other communities and reductions in a few localities, were announced this week by the National Bureau of Casualty & Surety Underwriters. The revisions are already in effect. The necessity for rate changes is attributed by the bureau to "racketeering, labor disputes, earthquakes and an apparent general negligence on the part of plate glass owners.

In Cook county, Ill., where the bureau reports "excessive losses due to unchecked racketeering," rates for exterior and semi-exterior floor and basement plates, size 50 square feet or more, have been advanced 64.7 percent in zone 1 and 63.6 percent in zone 2. Loss ratios in Chicago have jumped from 35.2 in 1929 to 72.9 in 1932, an increase of nearly 110 percent. Loss ratios were 46.8 in 1930 and 56.2 in 1931. These ratios exceeded those permissible by 10.6 percent in 1930, 32.8 in 1931 and 72.3 percent in 1932.

Cleveland Up 100 Percent

In Cleveland, where "unsettled labor trouble" is given as the major factor, the increase in similar plates in the same zones is 100 percent. Its loss ratios were 55.3 in 1929, 61.6 in 1930, 71 in 1931 and 87.8 in 1932. These exceeded the permissible loss ratios by 45.6 in 1930, 68 percent in 1931 and 107 percent in 1932.

The bureau states that from April 1, 1932, to June 22, 1933, 776 plates of glass costing about \$35,000 were broken with apparently malicious intent.

"It must be kept in mind that the insurance rates are directly affected by the losses," the announcement continued. "If conditions in Chicago and Cleveland are such that plate glass is being deliberately and maliciously broken, then the remedy lies with the insuring public."

Other rate increases are: 20 percent in Omaha; 50 percent on box car sizes only in Reno, Nev.; 37.5 percent in Youngstown, O.; 12.5 percent in Salt Lake City, and 25 percent for the balance of Utah; 12.5 for most of West Virginia, and 20 percent in Wisconsin. Rates for California except San Francisco were advanced 25 percent.

Rate reductions of 10 percent are made in Arkansas, 12.5 percent in South Carolina, 10 percent in Charleston, Huntington, Parkersburg, Wheeling and Brooke, Hancock, Marshall and Ohio counties, W. Va.; 20 percent in Wyoming and 10 percent in Texas, the last excepting only Beaumont, Galveston and Houston, where tornado hazards are extreme.

An important change noted among several technical revisions in the plate glass manual was the decision to allow a discount of 50 percent on all exterior glass three or more floors above the street floor.

Changes Are Made in Surety Manual

Fidelity Rates Are Increased Sharply in Several Classifications

BANK RATES ARE HIGHER

New Section Covers Alcoholic Beverage Bonds—Bankers Blanket Bonds 1 and 8 Are Discontinued

Rather extensive revisions have been made in the surety manual, involving rate increases in various classifications.

For primary commercial bonds, standard form A, of \$25,000 covering the first 25 fiscal agents, loan correspondents or loan agents of the insured, the charge is now \$187.50 as compared with \$125; for the next 25, the charge is \$150 each as compared with \$100, for the next 50, the charge is \$112.50 as compared with \$75 and all over 100 the charge is \$75 as compared with \$50. There is no credit for underlying fidelity suretyship.

Bank fidelity rates have been sharply increased. For class A banks, fidelity bonds not on statutory form, individual or name schedule, where aggregate liability is less than \$1,000,000, the premium is computed at the following scales of rates on the penalty of bond carried on each employee bonded: Where the amount of the bond is up to \$1,000, the premium per \$100 is \$2.50, as compared with \$1 in the past. For \$1,000 bonds the charge is \$25 and for each additional \$100 of protection up to \$2,500, the charge is \$2; for \$2,500 bonds, the charge is \$55 and for each additional \$100 protection up to \$5,000, the charge is \$1.50; for \$5,000 bonds, the charge is \$92.50 and for each additional \$100 the charge is \$1. In the past, the charge for these bonds up to \$1,000,000 was \$1 flat per each \$100 of protection. Heretofore there has also been a scale of rates for bonds of larger amounts, but under the new manual schedules aggregating \$1,000,000 or over must be submitted to the bureau for separate rating.

Class B Rates Higher

For Class B banks, bonds up to \$1,000 take a rate of \$3; for bonds of \$1,000, the charge is \$30 and for each additional \$100 to \$2,500 the charge is \$2.75; for \$2,500 bonds, the charge is \$71.25 and for each additional \$100 to \$5,000 the charge is \$2.50. For \$5,000 bonds, the charge is \$133.75 and for each additional \$100 the charge is \$2. Heretofore the class B banks took a flat rate of \$2 per hundred.

If statutory bonds are required, or if statutory bonds are not required, but bond includes liability for faithful performance of duty, the final premium or minimum computed as above is in-

(CONTINUED ON PAGE 23)

Many Inquiries Received as to Kidnapping Coverage

SOME BUSINESS BEING PLACED

Rider Is Attached to Lloyds K-1 Accident Policy and Rate for Entire Cover Is One Percent

NEW YORK, July 19.—Because of the increase in the crime of kidnapping, with so many respectable persons throughout the country being held for ransom, inquiries about kidnapping insurance are numerous these days and some of this coverage is being placed.

So far as can be determined, there is no domestic company which will write kidnapping insurance, but London Lloyds issues an endorsement to its so-called K-1 accident policy indemnifying the assured for any ransom that is paid. Although the prevailing rate in the past was 2 or 3 percent much of the present business is being placed at one percent, including the regular accidental death features, which alone costs about $\frac{1}{2}$ of one percent.

Market Up to \$100,000

Most of the Lloyds' groups that offer a market for this kidnapping endorsement limit their writings to \$25,000 or \$50,000, but there is a market up to \$100,000 on a single person. Complete information is desired including the occupation of the applicant, his age, his social and financial standing, particulars of his family, their number, ages, residence, whether threatening letters have ever been received, what means are taken to protect children. In addition the Lloyds' groups desire information about the household staff, including their record of service. Such insurance is offered only to persons in respectable operations and where there are no suspicious circumstances.

The kidnapping rider reads in part somewhat as follows: "This policy is to cover the assured against the within mentioned risks, including death by accident arising through rioters, strikers, persons taking part in civil commotion, bandits, and/or persons of malicious intent, subject to the terms and conditions of Lloyds' K-1 policy, to which this rider is attached. This policy also extends to cover the assured in respect of any moneys he may have to pay for ransom of himself, the underwriter's liability hereon being limited to 75 percent of the amount insured hereby, the remaining 25 percent being at the insured's own risk." The endorsement covers in the United States and Canada.

Wealthy Men Alarmed

Apparently wealthy men throughout the country are becoming alarmed because of the wave of kidnapping. One theory is that gangsters, being deprived of their revenue for liquor, have been searching about for new avenues of profit and have hit on kidnapping.

Some of the Lloyds' groups, instead of offering to pay only 75 percent of the ransom, are undertaking to pay 90 percent and even on this basis, some of the groups are charging only a rate of 1 percent for the entire policy. Some of the policies provide that the ransom will only be paid by Lloyds if the ransom has actually been paid by the assured and the insured is returned alive. If the insured dies or is killed, his beneficiaries probably would be able to collect under the accidental death feature of the policy. There might be some question on this score, of course, whether the insured died from natural causes.

For instance, fear was expressed for the Alton, Ill., banker, who was kidnapped, because he was suffering from a heart ailment. If he had died while in the hands of kidnappers of heart trouble, naturally the question would arise whether his death was from disease or whether he came to his death at the hands of persons of malicious intent.

Rounds Out 30 Years



GEORGE L. RADCLIFFE

George L. Radcliffe, president of the American Bonding, this week celebrated his 30th anniversary with the company, having joined it in 1903 as attorney. He served in that capacity until 1906 when he was made vice-president and in 1914 was elected president, remaining in that position until the company was taken over by the Fidelity & Deposit, when he was made first vice-president. He was again made president of the American Bonding in 1930 when it started doing business again as a separate institution.

Mr. Radcliffe graduated from the Cambridge (Md.) Seminary in 1893, later receiving degrees of A. B. at Johns Hopkins University and Ph. D. and LL. B. at the University of Maryland. In 1900 he became principal of the Cambridge Seminary, resigning a year later to join the staff of Baltimore City College, where he remained until 1903 when he started the practice of law in Baltimore.

He has always taken a prominent part in Maryland politics, serving as chairman of the inaugural committee of Governor Ritchie on three occasions, and was in charge of the Democratic campaign last year which resulted in Maryland giving President Roosevelt the greatest majority ever given any presidential candidate. Although strongly urged to accept a federal appointment, especially that of director of reconstruction work in Maryland, Mr. Radcliffe has refused to accept any public office, preferring to continue his work in the bonding business.

Relieve Oklahoma Treasurers

OKLAHOMA CITY, July 19.—A bill passed by the special session of the Oklahoma legislature in its closing hours relieves the situation of a number of county treasurers, who were elected last fall but took office on July 1. In more than 15 counties it was reported the newly elected officers were unable to secure bonds, because under the law then in force surety companies did not care to take the business.

Under the bill passed by the legislature, now up to the governor, instead of having to be written by one surety company, the bond may be divided among any number, and in case of loss no company will be liable for more than its proportion of the bond written by it.

Under the old law a newly elected treasurer was required to qualify within ten days after his official term began. If he could not do this, and the making of bond was a part of the qualification, the county commissioners would then declare the office vacant, and appoint some one else to the office who then would have ten days to qualify.

American Credit Indemnity Receivership Is Requested

COMPANY RESISTS ACTION

Former Employees Charge Exorbitant Salaries Paid, Dividends Paid Out of Surplus—Denial by McFadden

J. F. McFadden, president of the American Credit Indemnity of St. Louis, states there is no basis for the receivership suit against the company filed in the St. Louis circuit court by two former employees. He emphasizes that the plaintiffs own only 21 shares of stock. The company plans to oppose the action.

The plaintiffs are J. J. Austin, former investigator for the company, and A. J. Fehring, formerly manager of the St. Louis collection department. They charge mismanagement, that the officers have drawn exorbitant salaries, and should be removed; that they have withheld funds due policyholders, have paid dividends during the past three years of \$290,000 out of assets and trust funds, and that regardless of losses incurred and shrinkage in investment assets the officers paid a dividend of 16 percent in 1930, 11 percent in 1931 and 2 percent in 1932. They allege that the company has been named in suits asking for more than \$100,000.

Allegations Recited

The petition avers the company was doing a profitable business until it suffered severe losses in 1930 because of policyholders' difficulties in collecting accounts from customers. The losses, it is alleged, increased in 1931 and 1932, and the value of the securities held by the company decreased.

It is charged that the 1930 dividend of \$160,000 or 16 percent was paid to create a false impression of the company's condition and was paid partly from surplus and partly from money collected on accounts receivable of policyholders.

McFadden said suits now pending are based on claims the company feels certain are not just. "We never permit any claim to get into court if we feel that the claimant has a just and reasonable basis for such claim and is probably entitled to a judgment against us," McFadden said. "There is not one case pending in any court anywhere in which final judgment has been rendered against our company."

Some time ago the American Credit Indemnity, at the suggestion of the insurance department, rearranged its capital structure, reducing capital from \$1,000,000 to \$400,000 and transferring the difference to surplus. The stock has a liquidating value of about \$30 a share, McFadden said.

McFadden issued a formal statement that was published in an advertisement in St. Louis newspapers. He said the company had been rated A. by Alfred M. Best & Co. He said as of June 30 the statement showed: Bond and stocks, convention value, \$2,354,600; cash, \$161,274; accrued interest receivable, \$40,732; premium notes and accounts receivable, \$197,871; total assets, \$2,754,478; premium reserve, \$593,216; reserve for claims, \$106,130; reserve for possible future claims, \$372,080; reserve for taxes, \$12,871; voluntary reserve, \$50,000; capital, \$400,000; net surplus, \$1,103,141.

McFadden said the stock is selling for \$9 and its liquidating value is more than \$30.

McFadden said the charges are unfounded and he charges the action was brought to embarrass and harass the company.

Walter Dethke, formerly underwriter for R. B. Jones & Sons, Kansas City, Mo., has become associated with the Transportation companies as underwriter, with offices in the Walltower building.

Speakers for the Insurance Counsel Meeting Announced

ATTRACTIVE CARD PLANNED

Headliners Include G. L. Naught, H. R. Gordon, H. J. Drake, G. W. Denmead and R. M. Knepper

Announcement is made by George W. Yancey of Birmingham, president of the International Association of Insurance Counsel, of some of the speakers who will address the annual convention of that organization in Chicago Aug. 24-26.

The speakers include E. K. Williams of Winnipeg, "Some International Problems in Life Insurance Law"; G. L. Naught, New York City, general counsel American Surety, "Insurance Law and Its Makers"; H. R. Gordon, Chicago, executive secretary Health & Accident Underwriters Conference, "The Need of a Separate Statutory Classification for Accident and Health Insurance"; H. J. Drake, New York City, attorney for the Association of Casualty & Surety Executives, "Insurance Laws and Insurance Lawyers."

Paper by Denmead

G. W. Denmead, Baltimore, vice-president New Amsterdam Casualty, will read a paper, "What Is Expected by the General Counsel and Home Office of the Trial Attorney and Field Adjuster." This will be answered by R. M. Knepper, Columbus, O., in the paper, "What Is Expected of the General Counsel and Home Office by the Trial Attorney and Field Adjuster."

A dinner dance and banquet will be held the evening of Aug. 24 and the afternoon of Aug. 25 a golf tournament will be conducted at Olympia Fields.

McCollister Heads Seattle Group

SEATTLE, July 19.—J. C. McCollister, president McCollister & Campbell, Seattle general agency, has been elected president of the recently formed Casualty Insurance Association of Washington, succeeding Irvin Fox, who has resigned as casualty manager of the Travelers. Mr. McCollister was formerly vice-president and W. P. Sizemore of the Travelers succeeds him in that position.

Dismantle Securities Office

NEW ORLEANS, July 19.—The contents of the magnificent offices of the Insurance Securities Company in the Union Indemnity building, will be sold at public auction July 25 to satisfy a claim by order of civil district court. Among the many articles of furniture listed are: One light green tapestry armchair, a straw needlepoint upholstered chair, two straight chairs with tapestry covered seats and carved woodwork, two straight back chairs with carved woodwork back and side arms, one solid rose taupe color chenille rug, two oriental rugs and a red broadcloth sofa.

Feldsmith Heads Eastern Surety Work of Continental

The Continental Casualty announces the appointment of R. C. Feldsmith as superintendent of the eastern surety department in New York City.

Mr. Feldsmith for several years was associated with Secretary W. E. Kraft as agency superintendent, surety department of the Continental.

His career began with the Fidelity & Casualty at its Detroit branch in 1922, serving as special agent, district agent, and later assistant resident manager in charge of fidelity and surety. Later, he became associated with the Indemnity of North America, for which he opened a Detroit branch.

Committee Urges Deposit of Bonds

Definite Relief Plan for National Surety Awaits Compliance with Request

C. P. BOYCE IN APPEAL

Security Holders Told Committee Will Not Hesitate to Break With Commissioners Group

BALTIMORE, July 19.—Outlining the steps already taken to aid holders of bonds bearing the guarantee of the National Surety, the protective committee, of which C. Prevost Boyce of Baltimore is chairman, in a letter to owners of the securities now in default, again urges prompt deposit of the bonds, millions of which are outstanding. He stated deposits are being received in satisfactory amount, but that it is necessary to secure a large percentage before a definite plan for relief can be consummated.

The so-called independent committee, headed by Mr. Boyce and including representatives of firms originally marketing a large proportion of the guaranteed bonds, states it will "cooperate with the trustees, the New York insurance commissioner and any other interests, so long as it believes the rights of the bondholders are best protected by such cooperation; it will not hesitate, however, to pursue any independent remedies or take any independent action which it may deem necessary."

The committee lists among its objectives:

To see that the servicing of collateral under the mortgages is done at the lowest possible cost; to protect bondholders in various receivership proceedings; to work out a fair plan of reorganization; and to endeavor to obtain for depositing bondholders some cash pending final liquidation of collateral.

Letter Gives Explanation

The committee's letter explains the formation of the National Realty Management Co. "for the purpose of protecting the collateral underlying the guaranteed bonds. This company is to see that both current and delinquent payments of principal, interest and taxes are collected, to keep the properties in good repair, to institute any necessary proceedings in connection with the delinquent properties."

"The stock in this company is to be held by the various trustees for the benefit of bondholders so that, in effect, it will be a mutual company and no party, except the bondholders, shall receive any of the profits accruing to it. This company took over all the records and the organization of the old Greylings Realty Corporation as of June 15."

J. G. Gredler, formerly of the Irving Trust Co. of New York, is president of the new corporation, and the directors are: H. R. Johnston, vice-president Manufacturers Trust Co.; C. W. Hoff, vice-president Union Trust Co. of Maryland; E. M. Allen, former president National Surety; R. A. Brennan, deputy insurance commissioner, New York; Aaron Rabinowitz, co-receiver, Greylings Realty Corporation; C. Prevost Boyce, Stein Bros. & Boyce.

VAN SCHAICK CALLS HEARING

Superintendent Van Schaick has called a public hearing the morning of July 27 for discussion of proposed plans of reorganizing the mortgage guarantee

(CONTINUED ON LAST PAGE)

Franklin Auto Mutual Is Reorganized, Refinanced

The Franklin Auto Mutual of Chicago, which became impaired some time ago, has been reorganized and refinanced by a new group of men under the close supervision and with approval of Superintendent Palmer of Illinois and has opened for business in the Insurance Center building, Chicago. It is licensed only in Illinois at present and is writing exclusively all lines of automobile insurance at independent rates. Arrangement has been made with an eastern stock company to reinsure all over \$2,500 retention.

The General Insurance Agency has been formed as a partnership with quarters in the mutual's office and with a sole agency contract to write insurance on local and long distance trucks and buses.

C. F. Lauer is president of the mutual; F. B. Woodcock, vice-president; C. C. Pickett, secretary, and G. P. Racine, treasurer. Partners in the agency are W. R. Hummell and A. J. Kelso. Mr. Lauer has had five years' insurance experience, formerly being vice-president of the Reliance Auto of Peoria. Mr. Woodcock for 15 years was a Chicago realtor and a special investigator and appraiser of the bond department of the state's attorney's office in Chicago.

Mr. Pickett was accountant and examiner of the Illinois insurance department for three years and for 20 years has been secretary of the Farmers Institute of Illinois. Mr. Racine is a Winnetka, Ill., and Chicago realtor of 35 years' experience. Mr. Hummell has been in general agency work 12 years, formerly with Blair & Hailand and Hodgkinson & Durfee, and since 1930 in field work for several casualty companies. Mr. Kelso for a year has been organizer and field man of various insurance companies and formerly for five years operated a fleet of 50 trucks.

Solicits Filling Stations

Reports indicate that an organization known as the Interstate Protective Bureau, with headquarters in Indianapolis, is active throughout Indiana and Illinois selling burglary and holdup insurance to filling stations. There is no record of the concern in the Indiana insurance department or secretary of state's office. For a while the concern was located at 904 City Trust building, Indianapolis, but it is not located there now. Ownership of the concern was bought recently by W. R. Swails, RR 1, Box 47, Indianapolis.

The secretary of state's office in Indianapolis states that the concern is a Kentucky corporation and it was forbidden to do business in Indiana.

Some of the filling station proprietors who have been solicited say they are asked to make a \$2 down payment and then to pay \$2 a month. One filling station proprietor declined to pay the \$2 until he had seen the policy. The solicitor failed to return.

Big World Fair Verdict

A verdict of \$75,000 against the Chicago world fair was awarded by a Chicago jury in favor of a guard at the fair, who suffered loss of sight of one eye and impaired vision in the other when a tear gas bomb, which he took from a truck to examine, exploded in his hand. The case will be appealed. The world fair officials contend that the accident had no connection with the guard's employment, that there was no occasion for him to handle the tear gas bomb and that there was no liability. The Zurich has the underlying public liability and compensation policy on the fair.

The Mutual Boiler of Boston has been admitted to Virginia with principal office at Roanoke in charge of C. C. Cannon.

Production Effort Is Now Bringing Better Returns

WORK DONE IN SMALL CITIES

Companies Find That They Are Getting Response from Active Work of Agents

Casualty and surety field men who have been working in the medium sized and smaller cities find that they are getting good returns by their endeavor to stimulate business whereas the same method put forth in the big cities does not bring the same results. Companies are suggesting as the best classes of business to solicit those where the cost is not so great such as accident, automobile, burglary and the like. Many people cut off their insurance or reduced it very greatly and now are in a better position to resume their former affiliation. There is a much better feeling in the agricultural sections. Many companies seem to think that now is the time to stimulate production because of the upturn in business. Heretofore it has not been possible to make much of a dent. People did not have the money and the outlook was far from reassuring. Those companies that have been experimenting during the last three weeks or so say that the results are very gratifying.

Hold Joint Tournament

The Milwaukee and Chicago Surety Underwriters Associations held a field day at Wilmette country club. President W. O. Schilling of the Chicago association was toastmaster at the dinner and awarded the prizes in the tournament. Aug. 22 has been set as the tentative date of the return match to be held at the Tripoli country club in Milwaukee. There were 25 in attendance from Milwaukee and 50 from Chicago, as well as a number of home office men.

Michigan Surety Outing

DETROIT, July 19.—Twenty members of the Surety Association of Michigan attended the annual outing at Red Run Golf Club, near Royal Oak. L. I. Lofgren, Aetna Casualty, had low net score in the golf tournament and Norman Peters carried off honors in the kickers' handicap.

Pharaoh Field Supervisor

NEW YORK, July 19.—J. D. Pharaoh, 2d, has been appointed field supervisor of the Philadelphia branch office of the United States Fidelity & Guaranty. He has been in the casualty business in Philadelphia for many years. After serving as an underwriter in the Aetna Life's local branch, he became, in 1916, assistant manager for the New Amsterdam Casualty, remaining for a number of years.

Assumes Big Nebraska Bond

After considerable negotiation the state of Nebraska has consented to accept the contract of assumption offered by the National Surety Corporation of liability on the \$1,000,000 bond given last January as surety for State Treasurer Hall. As finally agreed upon, the new corporation assumes all liabilities accruing after May 1, 1933.

Indianapolis Golf Tourney

The Indianapolis Casualty & Surety Club will hold a golf tournament at the Martinsville (Ind.) Country Club Friday afternoon following a luncheon at the club. About 40 had signed up early in the week. All casualty and surety men were invited to attend. F. B. Crowley of the National Bureau and H. E. Shornstein, New Amsterdam Casualty, are in charge of arrangements.

Seek to Curtail Lloyds of London

Congress Will Be Asked to Pass Legislation of Restrictive Type for Banks

ATTITUDE OF BANKERS

Blanket Bonds Have Been One of the Chief Sources of Good Business

NEW YORK, July 19.—When the next Congress convenes the strong probabilities are that an effort will be put forth to secure the enactment of legislation that will serve as an effectual check on the activities of London Lloyds in this country, in which event the vigorous cooperation of the agency men will be asked in pushing the measure. While appeal to members of Congress to adopt legislation of the proposed character has been made from time to time in past years, the banking interests always proved sufficiently powerful to put an effectual quietus on the suggestion, and though the same result may develop this winter advocates of the idea are heartened by the belief that banks and bankers are not held in such high repute by the federal lawmakers just now as they were formerly. Hence measures previously discarded at the best of the financiers may stand a fair chance of being considered on their merits.

Competition in Casualty Lines

The competition suffered by stock casualty companies in this country from the individual underwriters of London waxes and wanes in keeping with the loss experience here. A notable decline in the activity follows a run of bad losses, only to become aggressive again when a favorable claim experience develops. Underwriters here declare that the Lloyds representatives have been peculiarly vigorous in their quest for business here of late, not only from banking institutions but from mercantile and industrial concerns as well. They offer reduced premiums as bait for the sale of their wares. It developed in a number of cases that primary cover fidelity bonds were being carried by American offices, with Lloyds getting the excess. The result is that the entire expense of claim handling is borne by the home company, unless an excess loss is suffered.

Michigan Has Regulations

Except in Michigan, the states have been unable to regulate Lloyds operations here, banking interests being powerful enough to checkmate attempted supervision measures in every case. In contradistinction with American companies and those of foreign domicile regularly admitted to this country, all of which employ home labor and pay taxes of all kinds, London Lloyds are free-lance, escaping every tax obligation, being aided and abetted by the bankers.

Reinsurance Practice Quizzed

NEW YORK, July 19.—The National Bureau of Casualty & Surety Underwriters recently addressed a communication to members asking whether they are accepting reinsurance from non-affiliated institutions. The suggestion is made to members, if they have been offering such facilities, to cease the practice, the National bureau holding that such procedure is inconsistent with organization principles.

WORKMEN'S COMPENSATION

New Problem in Compensation

Increase in Jobs Brings More Accident Reports with Income Deferred, However, for Year

Compensation insurance has a new trouble to contend with. In those lines that are putting men back to work, accident reports increase in proportion to the number of men returning to work. All these men must be paid weekly or other benefits, but the companies will get no income from the increased payroll until audits are made at the end of the policy year.

Thus in addition to high loss ratios and high expense, the companies have a financial problem. They were already cramped by the lack of additional premiums on payroll audits, and even the necessity of returning premiums on such audits. Now they have to write new policies on estimates based on minimum production, while with increasing production the actual drain of cash for

payment of losses is increasing. With the annual premium volume on compensation over \$100,000,000, an increase in cash demand runs into real money.

Plans Are Outlined for New Jersey Compensation Probe

NEWARK, July 19.—At a joint meeting of the various bodies interested in workmen's compensation in New Jersey, a program was outlined for cooperation with the legislative investigating commission, which will be formed shortly.

Charles Silber, chairman of the special committee of the Essex County Bar Association which recently submitted a report on the workmen's compensation bureau, discussed a number of recommendations relating to lawyers' fees and the disqualification of the testimony of the state's physician at formal hearings. Incorporated in the recommendations was a statement that insurance representatives present as well as industry were in substantial agreement

with the principles of the committee's report.

Others taking an active part in the conference were E. C. Graff of the Casualty Underwriters Association of New Jersey, Byron Conklin of O'Gorman & Young, William Kearns of the New Jersey Casualty & Utilities Claim Men's Protection Association and A. M. Torrey of the Employers Association.

Lawton Named in Wisconsin

MADISON, WIS., July 19.—Commissioner Mortensen has put F. P. Lawton in charge of compensation insurance work in the Wisconsin department, following abolition of the Wisconsin compensation insurance board by the legislature. Mr. Lawton also has charge of state funds. Miss Margaret Gilman, formerly assistant to H. L. Mount, secretary of the compensation board, has been transferred to the insurance department and will assist Mr. Lawton.

Wisconsin Increase Sought

MADISON, WIS., July 19.—An increase averaging 21.3 percent in workmen's compensation rate has been asked by stock and non-stock companies of Commissioner Mortensen. Industries have been divided into three groups: Construction, on which rates would be

boosted 49 percent; manufacturing, on which an 8 percent increase is asked, and all other industry, 19 percent.

A similar increase, asked last year, was denied by the workmen's compensation insurance board. Mr. Mortensen will hold public hearings at which the companies and employers will have an opportunity to present data and arguments.

Casualty Company Activities

Lloyds of America Fails to Renew California License

Following the announcement by Commissioner Mitchell of California that he had notified Lloyds of New York to refrain from writing further business in the state, the management of the company issued a statement that it has been writing only a small volume of casualty business in that state and therefore the company decided not to renew its license as of July 1.

Commissioner Mitchell stated that his action was based upon the failure of the company to meet demands for a new financial statement and a satisfactory reply to queries regarding complaints over claims. He said he had given the company up to July 1 to file a new statement but nothing had been heard up to the time he took action on July 13. Chapman & Co. of San Francisco are the general agents in California for the company.

"Since the company was admitted to the state of California," the company statement declared, "it has only been writing a small volume of casualty business; and the business of the Constitution Indemnity, Detroit Fidelity & Surety and Lloyds Casualty, which were merged into the Lloyds of America, has practically all been canceled or expired. Due to the small volume of casualty business in force, the company decided not to renew its license as of July 1."

International Suit Against Union Indemnity Is Upheld

NEW ORLEANS, July 19.—Exceptions of no cause of action filed by attorneys for receivers of the Union Indemnity against the intervention of the International Reinsurance were overruled by Judge Provosty in civil court and the suit ordered to trial on its merits.

The reinsurance company intervened in the receivership of the Union Indemnity, asking an accounting on salvage under a reinsurance contract. The plaintiff claimed that in May, 1930, it made a contract with the Union Indemnity and New York Indemnity to repay losses on their bonds and obligations up to \$340,000. The reinsurer was to receive 85 percent of all salvage on such losses. The International reimbursed the two companies for several losses, but so far the Union Indemnity has made no accounting of any salvage on these bonds. The receivers contended that the reinsurance company was merely a creditor and consequently not allowed to intervene and seek a special accounting.

Receivers for the Union Indemnity have filed their report of receipts and disbursements from April 1 to June 30. Receipts were \$1,055,599 and disbursements \$1,027,571, of which \$1,005,000 was received from the sale of securities and paid over to the Reconstruction Finance Corporation to apply on a loan made to the Union Indemnity before it went into receivership.

Brown Made Kentucky Receiver

The Franklin county circuit court, Frankfort, Ky., has named Charles I.



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Brown of the Kentucky department as ancillary receiver for the Central West Casualty of Detroit, on application of Commissioner Gauss of Michigan, receiver for the company.

Receiverships Before Masters

Hearing on the receivership petition against the Northern Casualty Underwriters of Chicago is now set for Aug. 2 before Louis Behn, master in chancery. There have been a number of postponements in the scheduled hearings in this case. One of the important questions is whether a block of preferred stock of the Chicago & Northwestern Railroad shall be valued at market or at convention values in figuring the solvency of the company. The convention value is about \$90 a share, whereas the stock is selling at about \$32. The company is still operating. It has an arrangement for issuing automobile insurance to members of the Illinois State Automobile Club. Hearings have not been set in the receivership petition against the Central States Motorists of Chicago. One of the main questions in connection with this company is the valuation of some \$487,000 stock in Mid-Consolidated Utilities. This case has been assigned to Julius Miner, master in chancery. The Central States Motorists is not now operating, the attorney general having obtained an injunction restraining it from continuing to sell insurance. The Central States Motorists was affiliated with the Motorists Association of Illinois.

New Amsterdam Plan Approved

BALTIMORE, July 19.—Stockholders of the New Amsterdam Casualty have approved the proposal of the directors to reduce the par value of the stock \$10 to \$5 and transfer \$2,250,000 from capital to surplus and contingency reserve. Authority was also given to issue 50,000 new shares of \$5 par stock, making the authorized capital \$2,500,000. It has been explained that the additional shares may be used for acquiring stock of another company and if not used for that purpose will be offered to stockholders at a price to be fixed by the directors.

A semi-annual dividend of 60 cents a share was declared payable Aug. 1. The February dividend was 75 cents.

Jefferson Auto Dividend

ALBANY, N. Y., July 19.—The Jefferson Auto Mutual Casualty, which is being liquidated by Superintendent Van Schaick of New York, paid its first dividend of 15 percent to creditors, the supreme court of New York county authorizing the payment. The Jefferson Auto Mutual specialized in taxicab risks.

Wesley Succeeds Carl Hansen

Charles F. Wesley of Philadelphia has been appointed a receiver for the International Reinsurance, succeeding Carl M. Hansen, former president of the company, who retired as receiver when objections to him were filed.

Deadline for Claim Filing

The deadline for filing claims against the defunct Fort Dearborn of Chicago has been set for Oct. 1 by H. B. Hershey, receiver.

Zimmerman in New Post

T. H. Zimmerman, who was assistant manager of the Michigan branch of the Union Indemnity, has joined the Western & Southern Indemnity as special representative for Michigan. He started with the Aetna Casualty in 1923 and remained until 1927. He then joined the New York Indemnity as special agent and in 1930 became assistant manager of the Michigan branch of the Union Indemnity. His headquarters for the Western & Southern Indemnity will be at 4557 Oregon avenue, Detroit.

CASUALTY PERSONALS

J. F. Cremin, Birmingham, Ala., general agent of the Mutual Benefit Health & Accident, who was seriously injured in an automobile accident, is much improved and will probably be able to return to his office in a week or so.

Z. H. Austin, veteran Minneapolis insurance man, former president of the North American Life & Casualty, has been appointed Minnesota manager for the federal home loan board.

When **F. J. Buzzell**, casualty manager of the Travelers branch at Manchester, N. H., appeared at his office Tuesday morning, he found his fellow employees had remembered it was the 25th anniversary of his connection with the company. A bouquet of American Beauty roses decorated his desk. He has been manager in Manchester since 1921.

A. L. Johnston, former president of the Public Indemnity, is spending a vacation of several weeks in San Francisco, his native city. Mr. Johnston started his insurance career in San Francisco with the Frankfort General,

later establishing the Pacific Coast department of the Royal Indemnity, serving as resident secretary from 1911 to 1923. When the Independence Indemnity was organized he became associated with C. H. Holland in Philadelphia as vice-president, later joining the Public Indemnity as vice-president, and was subsequently made president. While Mr. Johnston has made no announcement as to his future plans, it is understood that he will return to the east following his vacation.

R. B. Stoeckel, formerly commissioner of motor vehicles in Connecticut, who has spoken at a number of insurance gatherings, has taken a post as research professor assigned to the graduate school in the department of transportation at Yale. He hopes to make a center at Yale where any questions relating to motor vehicle participation in traffic and transportation can be answered and upon which opinions can be given.

Miss Miriam C. Hamilton, daughter of I. M. Hamilton, president of the Fed-

eral Life of Chicago, and a director of that company and active in its management alongside her father, for some time has been studying law and last week took the bar examination for admission to practice in Illinois. She was graduated some time ago from Vassar and undertook postgraduate work in law at the University of Chicago.

President Charles R. Miller of the Fidelity & Deposit and Mrs. Miller have sailed on the Berengaria for a six weeks' vacation in Europe.

Henry Collins, United States manager of the Ocean Accident, arrived in Chicago Wednesday for a conference of two or three days with J. E. Callender, manager of the central department of that company.

C. C. Anderson in New Post

C. C. Anderson, formerly agency supervisor under Vice-President F. H. Perdew at the Continental Casualty home office, has taken charge of the disability division of the accident and health department in the Chicago branch office of that company in the Insurance Exchange building. Mr. Anderson has been with the Continental for a number of years and served as manager of the Minneapolis branch office for four years.

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Beloit**Changes Are Made
in Surety Manual**

(CONTINUED FROM PAGE 17)

creased 50 percent. The present statutory states in which these scales apply are Indiana, (until July 1, 1933), Mississippi, Oklahoma, Pennsylvania, Tennessee and Washington.

New classifications are included for institutions under the federal farm loan act. These include the emergency farm mortgage act of 1933; agents and employees, the rate being 13½ cents per \$100; federal home loan bank board: officers and employees take the same rate; federal home loan banks: officers and employees, rate 25 cents; regional agricultural credit corporations, officers and employees, 25 cents.

Bankers blanket bonds in favor of or endorsed to conservators take the same rate as prevail for the banks themselves.

Bankers blanket bonds forms No. 1 and 8 have been discontinued as to insureds not previously carrying bonds on these forms.

Building and Loan Rates

For class B building and loan associations, a blanket bond in the amount of \$25,000, not more than 10 officers and employees, the charge is \$450, as compared with \$400; for not more than 15 officers and employees, the charge is \$500 as compared with \$450 and for not more than 20 officers and employees the charge is \$550 as compared with \$500.

For class C building and loan associations, an additional charge of 10 percent is assessed against the final pre-

mium for the form and all riders attached.

For class A associations with assets up to \$300,000, minimum bond \$5,000, the annual premium is \$120, as compared with \$100; minimum bond \$7,500, the new premium is \$135 as compared with \$112.50. For associations with assets of more than \$300,000 and less than \$600,000, minimum bond \$10,000, premium \$180, as compared with \$150; for those with assets over \$600,000 and less than \$1,000,000, minimum bond \$12,500, premium \$240, as compared with \$200; assets over \$1,000,000 and less than \$2,000,000, minimum bond \$15,000, premium \$300 as compared with \$250; assets over \$2,000,000 up to \$3,000,000, minimum bond \$20,000, premium \$360, as compared with \$300.

Forms 1 and 8 Withdrawn

Bankers blanket bonds forms 1 and 8 covering investment banking houses have also been discontinued as to insureds not previously carrying bonds on these forms.

Carrying companies are required to submit to the Towner Bureau on all bankers and brokers blanket bonds for insureds having four or more branches or chain banks, other than the head office, a complete experience statement 40 days prior to renewal date. Heretofore this requirement applied only to institutions with eight or more branches.

Rate is included for bondholders protective committees, officers and employees, of 35 cents per hundred with \$10 annual minimum.

The rate for the faithful performance of duty form, whether statutory or otherwise, for officers and inside employees of building and loan associations is 80 cents, as compared with 60 cents and the same form for agents is \$1 as compared with 75 cents.

Labor Union Rates

For labor unions, form A bonds, the fidelity rates are increased from 50 cents to 75 cents. The rate on officers and employees of public service corporations has been increased from 30 cents to 40 cents and the schedule rates for bonds of \$50,000 and up to \$200,000 has been increased from 25 cents to 30 cents.

The fidelity rates for amusement enterprises, individual or name schedule, have been increased for bonds up to \$50,000 from 50 cents to \$1; of bonds \$50,000 up to \$100,000 increased from 50 cents to 75 cents.

Several changes of a minor nature have been instituted in the judicial bond manual.

The minimum premium for all general construction bonds, both class A and class B is now \$15, whereas in the past there was a graded scale. The minimum premium for highway contract bonds is now \$10, whereas the graded scale previously applied.

Contract bonds for express and delivery companies take a rate of \$15 per thousand, as compared with \$10 in the past. For lighting bonds, the minimum premium is \$5 as compared with a graded scale heretofore.

For stockyards and live stock exchanges, bonds which include liability for all rentals due for leased office space, in addition to feed, freight and yard charges take a rate of \$7.50 per thousand with an annual minimum of \$10. Heretofore the rate was \$2, the minimum premium \$5.

Alcoholic Beverage Bonds

A new section is included for alcoholic beverage bonds. The rate for manufacturers' bonds to U. S. A. and wine and fermented fruit juice bonds to U. S. A., is \$20 per thousand for the first \$25,000; \$15 per thousand for the next \$25,000 and \$10 for the next \$50,000. There must be added \$5 per thousand for each additional premises covered by consent under brewers' bond.

The rates for railroad dining cars, steamship companies and chains of hotels, restaurants, drug, grocery and confectionery stores under a common ownership, which bond more than nine but

less than 25 locations annually in any one state, the rate is \$10 per thousand with a \$10 annual minimum. Where such applicants file 25 or more bonds annually in any one state, the rate is \$7.50 per thousand with \$7.50 minimum. For all other classes of permittees, the

rate for the first \$25,000 is \$20 per thousand, for the next \$25,000 it is \$15 and for the next \$50,000 it is \$10.

There have been numerous changes in the license and permit bonds for the various states, and also in the federal rate schedule.

CHANGES IN CASUALTY FIELD**Lilly Named Vice-president**

**General Counsel of Maryland Casualty
Given Higher Title—In Service of
Company Since 1910**

Austin J. Lilly, general counsel of the Maryland Casualty, has been elected a vice-president. Mr. Lilly, who is a



AUSTIN J. LILLY

native of Baltimore, started with the company in 1910 as manager of the Oklahoma claim department, remaining there until 1912 when he was transferred to Charlotte, N. C., as manager of the claim department and general attorney for North Carolina. Two years later he was called to the home office as superintendent of the accident prevention bureau and in 1915 was transferred to the legal department, being named general counsel in 1921.

Previous to joining the Maryland Casualty Mr. Lilly was engaged in the practice of law in Baltimore, and also had considerable newspaper experience.

Dauchey to Seattle

LOS ANGELES, July 19.—Horace Dauchey has been transferred from the Los Angeles branch of the Travelers to Seattle as casualty manager. Mr. Dauchey has been with the Travelers since 1920, working in Kansas City,

Mo., and Omaha and later in Minneapolis as assistant manager, and then in St. Paul as branch manager. He was transferred to the southern California division at Los Angeles in 1929.

**New National Surety Opens
Branch in Philadelphia**

The new National Surety has opened a Philadelphia branch at 114 South Fourth street with T. U. Schock as manager. The credit, fraud and forgery and claim departments of the National Surety have been moved to the new location.

Mr. Schock has been assistant branch manager and manager of the bond department of the Home Indemnity in Philadelphia. Previously he held those positions for the Southern Surety. At one time he was bond manager for the Union Indemnity with the general agency of Leon Mertz & Co. He was associated with the Aetna Casualty for 15 years.

R. T. Schaller has been appointed assistant to Mr. Schock. Mr. Schaller was formerly assistant to Mr. Schock with the Southern Surety and Home Indemnity.

The claim department will be in charge of R. P. Dunn; credit department in charge of J. A. Klein and the fraud and forgery department in charge of J. T. Doran.

The territory under the Philadelphia office will include the eastern half of Pennsylvania and southern half of New Jersey. The Harrisburg branch is being closed and its supervision is moved to Philadelphia.

The general agency of Thomas B. Smith & Co. will continue to represent the National Surety and will report through the Philadelphia branch.

Todd Sales Company Named

The Todd Sales Company of Rochester, N. Y., has been appointed to represent the United States Guarantee as representative for the sale of forgery and check alteration insurance. The

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General Indemnity of Rochester was organized by the Todd people about 20 years ago to furnish check alteration coverage to buyers of protective devices manufactured by the Todd organization. About two years ago the General Indemnity was sold to the International Reinsurance and when that company went into receivership, control of the General Indemnity was purchased by the Lloyds of New York.

The U. S. Guarantee recently filed with the New York department check forgery rates considerably below those of the Towner bureau. The New York department is quoted as saying that permission to use the lower rates would be restricted to the renewal of expiring lines in the General Indemnity.

Hough Joins American Surety

J. E. Hough, formerly with the Commercial Casualty first as claim manager and later claim manager of the group in Newark, who resigned several months ago, is now with the New York office of the American Surety.

Offices Are Separated

The offices of Joyce & Co. and of the National Surety in Chicago are being separated to some extent. Although C. H. Burras continues as head of both organizations in Chicago, the offices are being rearranged so that separate entrances will be provided and the two organizations will be distinct.

Newman Assistant Secretary

Ralph Newman, manager of the automobile department for the United States Casualty, has been elected assistant secretary of that company. He joined the U. S. Casualty in 1927 as an underwriter in the automobile department and was made manager of that department in 1930. He has been in the business since 1919.

Independent Bondholders Protective Committee Busy

(CONTINUED FROM PAGE 10)

business of the old National Surety. Bondholders and trustees of the various bond issues guaranteed by the National Surety are invited.

The committee of insurance commissioners which is serving as a protective committee for bondholders will meet in New York, July 26, according to Mr. Van Schaick. The guaranteed mortgage situation will be studied from all angles.

DISCUSSION AT CHICAGO

Several angles of the mortgage guarantee situation were brought out in executive session of the insurance commissioners at their Chicago meeting, it is disclosed in the proceedings of that convention, which have just been published.

Commissioner Brown of Massachusetts stated that prior to the time the National Surety was taken over for rehabilitation, that company acquired by foreclosure a large number of properties in different parts of the country which had been mortgaged to secure bonds held by the security holders. When the National Surety was taken over, it owned, through foreclosure, a large number of these properties. The proposal now is, he said, that the property thus taken over by the National Surety be devoted to the payment of the claims of this class of creditors. Unless this class of creditors is agreeable to accepting the services of the commissioners' protective committee, he said, they may be in the position of having to share with the general creditors of the National Surety.

M. I. Ignatius, special counsel in the National Surety case, said there can be no plan of rehabilitation unless it gives to every creditor of the National Surety, including those who relied upon the mortgage guarantees, the full meas-

ure of every possibility of realization on every asset of the National Surety.

The security holders are scattered throughout the country, he said, and are easy prey for adventurers who solicit their representation on the theory that they will fight a conspiracy to take away from them the benefit of the assets of the National Surety, which should be made available to them in satisfaction of the guarantee.

No plan can be successfully negotiated, he said, if representations of the interests of creditors are to come through scattered groups, each group seeking to embody in the final plan some provision which will take care of their private profit, profit of their counsel and all the expenses for advertising, paying solicitors, etc. The efforts of private interests who distributed the securities must be overcome, he said. In addition to the assets represented by properties taken over under foreclosure by the National Surety, the creditors will have a recourse against all other assets of the National Surety, including every share of stock of the new National Surety.

Bond Pledged to Loans

Security holders do not realize, he said, that in sending their bonds to a private committee, their bond is becoming pledged to loans out of which the committee reimburses itself for its advertising expenses, etc., and the compensation to the dealers and salesmen who have gone out to solicit the bondholders.

Commissioner Mortensen of Wisconsin asked what percentage of the outstanding bonds have been deposited with the commissioners' protective committee. Mr. Ignatius said that that committee has not been an active competitor of the private committees. It cannot solicit representation on the same basis as one who is soliciting for his own private gain. Therefore, the commissioners' committee must depend upon the support of the individual commissioners. Altogether at that time, he said about \$900,000 of the outstanding bonds had come to the committee. The total outstanding is about \$52,000,000. The principal independent committee, he said he was informed, has representations covering about \$2,500,000. This group has been aggressive in its solicitation and it has advertised that a salesman who brings in a bond for representation will be paid one-half of 1 percent.

Alternative Is Cited

In answer to a question, Mr. Ignatius said if the commissioners' committee is not able to get a substantial representation, the obvious procedure on the part of the independent committees will be, in the name of the bondholders, to call upon the trustees to foreclose the equities in each separate trust estate. The result would be that the entire equity of the National Surety in 4,500 pieces of property would be absolutely gone, so that the rehabilitator would be left in a position where probably he would not be able to lend his support to any plan. If that asset is destroyed, probably the remaining assets would have to remain in liquidation and it would not be possible to have any reorganization. The security holder under those circumstances would lose the benefit of the protection and the possible future realization upon the increased value of these 4,500 properties. Then there would be the fees, court expenses, advertising charges, etc., in connection with foreclosure. If an attempt is made, upon foreclosures, to buy in the properties unless the committee has not more than half of the outstanding bonds, they will not be able to buy in the properties by the surrender of the bonds which they represent and therefore in any such foreclosure action many of the properties would actually have to be sacrificed.

ASKS REMOVAL OF COUNSEL

Attorney General O'Connor of Iowa has applied to the Polk county district

clerk for removal of Fletcher, Stephens, Swift & Wisdom as attorneys for the Iowa receiver of the National Surety. The attorney general states this law firm obtained the appointment without the knowledge of the receiver. He states the law firm is attorney for the new National Surety and thus is not qualified to act for the receiver.

Compensation Is Put Under Review

(CONTINUED FROM PAGE 17)

missions, handling of claims, home office administration and inspection and engineering services has been exceeded, it was pointed out that the allowable expense ratio in the establishment of premium rates has not been increased and that no request has been made for such an increase.

Beside Mr. Van Schaick, committee members present were Commissioners Brown of Minnesota, Brown of Massachusetts, and Gough of New Jersey, Commissioner McClain of Indiana being absent.

All the major difficulties besetting the compensation business received consideration, but it was generally recognized that the crux of the situation is the virtual impossibility of getting rates approved which will provide adequately for the unpredictable contingencies which have caused such a serious drain on compensation-writing companies by increasing the loss cost beyond the anticipated.

The seriousness of the situation was pointed out by Mr. Van Schaick, who in a statement following the meeting said: "On the one hand the insurance carriers must pay indemnity and medical losses and expenses without incurring continuous deficits that may threaten them with insolvency, and on the other hand, employers and employees wish not only to be certain of the solvency of the insurance carriers but both groups, particularly employers, are interested in having premium rates at a reasonable level which industry can afford to pay."

In addition to statements presented orally at the meeting, a number of memoranda were submitted for the committee's consideration, and other written statements will be presented within the next two months.

To Urge State Clinics for All Compensation Cases

NEW YORK, July 19.—Because of his discoveries in investigating abuses in compensation claims, Assistant District Attorney M. H. Panger of New York said this week that he would recommend to the governor that the state establish clinics for compensation cases to do away with alleged racketeering in privately operated clinics. Four men, two of them doctors, have pleaded not guilty to charges growing out of the investigation.

Governor Lehman's endeavor to stamp out compensation abuses was praised by H. S. Cullman, chairman of the committee to review medical and hospital problems in connection with compensation cases, who also expressed satisfaction at the progress being made by Mr. Panger.

"The compensation law was enacted as a measure of social legislation and must not be turned to the advantage of special privileged groups or lay individuals for private profit," he said. "I am sure that all responsible medical and lay people welcome the house-cleaning now in progress."

Ocean Appoints Olmsted

Claude D. Olmsted has been appointed Illinois special agent for the Ocean Accident succeeding D. C. Miller, who has resigned. Mr. Olmsted formerly traveled until about a year ago for the Aetna Casualty in the Illinois field.

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